Daily Report

Latin America

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Cuba

Seized Boat Capsizes; People Missing

FL1307173394 Havana Radio Rebelde Network in Spanish 1705 GMT 13 Jul 94

[From the "National Radio News"; figures as heard]

[Text] At approximately 0300 [0700 GMT] today, antisocial individuals forcibly seized the 13 de Marzo tugboat from the port of Havana. The tugboat belongs to the Mambisa West Terminal. In the attempt to illegally leave the country, the boat capsized seven miles off shore. State-owned vessels and borderguard troops managed to rescue 31 people—20 men, 5 women, and 5 children—but a still undetermined number of people are still missing. Once more the counterrevolutionary radio, the most reactionary elements of the exile community in Miami, and the United States' failure to comply with immigration accords provoke this type of incident. The appropriate authorities continue the investigation of this incident.

Castro Attends Reception for Brazil's Amorim

FL1307202894 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 12 Jul 94

[Text] After completing an official two-day visit to Cuba, Brazilian Foreign Minister Celso Nunes Amorim returned home. At the airport, he was bid farewell by his Cuban counterpart Roberto Robaina, as well as by Jose Nogueira Filho, Brazilian ambassador to Cuba, and other officials of the Cuban Ministry of Foreign Relations.

In a news conference held minutes before his departure, Amorim highlighted the possibilities of cooperation in various areas between Cuba and Brazil. Amorim reiterated his government's rejection of the U.S. blockade and described his talks with Cuban President Fidel Castro as friendly and of mutual interest.

[Begin recording] [Amorim] From our standpoint, the importance of our visit has been the reaffirmation of our political willingness to work toward Cuba's reincorporation into the regional and international arena.

[Unidentified reporter] What points of view will Brazil take to the Summit of the Americas?

[Amorim] As all of you know, the Summit of the Americas was the United States' idea. Brazil sees this summit as positive, because we believe it provides the opportunity for high-level dialogue on the great problems of this hemisphere. We would have liked for all the countries of the continent to be represented. [end recording]

Last night, Cuban President Fidel Castro attended the reception at the Brazilian Embassy in honor of Celso Nunes Amorim. Other high-ranking Cuban officials were also present. Amorim fulfilled a tight work schedule during his stay in Cuba, which included visits to several institutions, and high-level talks with Cuban officials.

Castro: Italian Politics 'Enormously Interesting'

AU1307203294 Paris AFP in English 1915 GMT 13 Jul 94

[Text] Rome, July 13 (AFP)—Cuban leader Fidel Castro believes Italy is unlikely to fall back into fascism. In an interview, he describes Italy as an interesting "political laboratory."

In the interview to be published Thursday in SETTE, the weekly supplement of CORRIERE DELLA SERA, Castro said he was not worried that the coalition between Prime Minister Silvio Berlusconi and the neofascist National Alliance led by Gianfranco Fini would lead to a return to fascism because "fascism is dead throughout the world, thank heavens."

But, he added, that the agreement "could create problems because people might think that (Berlusconi) is allied with an extremist."

Castro had nothing but praise for Berlusconi whom he described as "likeable, an excellent businessman, intelligent" and someone who "can do a lot for Italy."

He said Berlusconi's government was an "interesting political laboratory."

Castro said that "it is impossible for a statesman today not to look at Italy. An important western country which chooses a managerial-type rightwing government which promises not to become a dictatorship is enormously interesting."

Program Reviews Foreign Investment Issue

FL1407021594 Havana Radio Rebelde Network in Spanish 1600 GMT 5 Jul 94

["Straight Talk" program with host Osvaldo Rodriguez and Luis Sexto, of BOHEMIA magazine; date not given—live or recorded]

[Text] [Rodriguez] Do we need foreign investment in Cuba nowadays? Luis, I do not think it is ever a waste of time to discuss this topic. The topic is frequently reviewed in our program because I do not think people fully realize our need for foreign investment and what foreign investment represents for our country. I invite you to reflect on this issue.

[Sexto] It is true, Osvaldo; one can determine this on a daily basis. Cubans are uneasy about foreign investment. I remember that I talked about foreign investment on another Straight Talk program some months ago. I clearly stated: I do not like foreign investment. I believe I can say the same thing six or seven months later: I do not like foreign investment. I was brought up amid a struggle to rescue and protect the country from foreign investment. On that program I said one of the most beautiful things about the Cuban Revolution in 1959

and 1960 was precisely the timely way in which national riches were rescued from transnational... [pauses] from U.S. enterprises and companies that had turned the country into their fiefdom.

[Rodriguez] I remember a small sign—there must still be some around—that read: Support the country; consume what it produces. That was precisely part of the campaign against the consumption of foreign products.

[Sexto] We were brought up amid the struggle to rescue our country from the grasp of the power that belittled and impoverished it. Of course, this is no longer 1959 or 1960. That liberation was effective because the destructive foreign capital that drained our lifeblood was expelled from the country. The world is different 35 years later, as is evident and as everyone knows. We no longer face the same conditions; international relations are not the same; the balance of power is not the same; there is no multifarious or bipolar world; there is a unipolar world now. That means the balance of power, politics, and international relations has tilted to one side—precisely the side of powerful countries that have absolutely no concern except their own welfare, growth, development, and dominance.

Consequently, Cuba finds itself in this situation, in this world, while it strives to defend a social project that is distinctly humanistic, a social project the essential goal of which is to protect the national independence and social justice that has been achieved in the last three decades. Consequently, can I rightfully continue to say I do not like foreign investment? Can I legitimately continue to say this? In fact, I can still say I do not like foreign investment, but I think I must add something: I understand that Cuba needs foreign investment in this situation. I could even use an example: Not accepting foreign investment under Cuba's current situation is tantamount to saying you would rather die of thirst than drink from your neighbor's well. I think that is a graphic example.

[Rodriguez] Yes, I believe this is undeniable. Foreign investment, as has been often repeated, is the way to access capital, technology, markets, and, of course, experience we do not have. Likewise, we must say that foreign investment are still less than what we need and still less than what there could be if, for example, the blockade were lifted. I want to talk about this topic next. I want to discuss what could possibly happen if the blockade were lifted.

We all know that many of the firms that have tried to invest in Cuba, or had plans to invest in Cuba, have not been able to do so. In fact, many of these came here and participated in talks; yet, they later had to back off because they were under strong pressure from the U.S. Government.

If the U.S. blockade were lifted, we would undeniably see U.S. firms coming to invest in our country, and they would undeniably invest large quantities of money because we are very close to our powerful neighbor. That is why I think we must endorse the views of certain people who analyze this issue and are happy that this phase of lifting the ban, of allowing foreign investment in Cuba occurs amid a blockade. This way, we will avoid falling into the United States' arms again.

[Sexto] Well, look, I disagree with what you have said. I think the blockade will be lifted some time in the future. The United States will realize that this strategy is useless. In fact, I think U.S. capital will come to our country and Cuba will not reject it. I think that the advantages of having U.S. capital rather than another type of capital, meaning capital from a faraway country, are evident, but [words indistinct] at this moment. Osvaldo, I do believe that, if U.S. capital were to come here tomorrow, this would not imply that our country would again fall under the United States' destructive protection. That is another issue.

I believe the Cuban Revolution, the Cuban state, has as a basic norm—not only regarding probable U.S. capital investment, but also the specific investment of any capital in our country—the defense of national sovereignty, and the defense of its political and economic integrity. I believe the conditions would always be different because the essence of the situation has changed. U.S. investment prior to 1959 forced the country's surrender. The United States took possession, it literally took possession, of Cuba and Cuba's riches since late in the 19th Century; and, obviously, it dominated Cuba's economy and politics.

[Rodriguez] Perhaps I did not explain myself well. I am not saying that U.S. capital will immediately control the country or that we will immediately fall into its arms if the U.S. blockade is lifted someday, and I do think it will be lifted one day. What I mean is that, under the current circumstances... [pauses] I said that I agree with those who think that, given the current situation of economic weakness we face, if U.S. capital entered here on a large scale, we would undeniably be under some pressure, economically speaking. Political pressure would undeniably follow as has occurred in many countries that have been subject to the pressure exerted by U.S. capital.

I am thinking about the tourism sector. If the blockade is ever lifted, most of the tourists who could come to Cuba would be U.S. tourists, so the main source of revenue in Cuban tourism would be tourists coming from the United States. If the tourism sector is subject to another blockade, we would be strangled, economically, and that would be a political lever that would be always used in economic proposals.

[Sexto] Well....

[Rodriguez, interrupting] That is why I state that perhaps in the future, when the blockade is lifted, our country will be able to achieve economic recovery. We will overcome this difficult phase. There will be other foreign investors participating in our economic recovery, and we will not see ourselves in the United States' grip. Luis, I seem to have taken the words out of your mouth.

[Sexto] I am glad....

[Rodriguez, interrupting] This happens many times.

[Sexto] I am glad you refer to a future possibility. I am glad this is so. I do not think we should begin to depend on the United States just because the North Americans can invest here. I think the world is moving toward interdependence nowadays, Osvaldo. In fact, I think that the foreign investment phenomenon is not a phenomenon that only pertains to poor countries, Third World countries. I believe that, except for Japan, all the countries in the world currently have foreign investment, including the powerful United States.

[Rodriguez] Japan also has them, but on a minor scale.

[Sexto] The same goes for other developed European countries.

[Rodriguez] The Japanese are investing large amounts of money in the United States.

[Sexto] We now have to consider this as necessary within the interdependence that has been established in the world.

[Rodriguez] Of course.

[Sexto] Well, to answer the question that brought us to Radio Rebelde's microphones, meaning whether or not Cuba needs foreign investment, Cuba obviously needs foreign investment. Cuba cannot reactivate its economy; Cuba cannot fully operate its factories; Cuba cannot reorganize its foreign trade; Cuba cannot modernize its obsolete technology without the support and investment of those who have markets, money, and technology. That is evident. I think our country's decision to allow the participation of foreign investors is a sign of great flexibility. I believe this is an intelligent decision and I also believe it is a process carried out in a gradual, rational way.

I do not think our country is acting in a rash manner; I think each of the possibilities is carefully analyzed; and I think that control of the process should never be relinquished. We can say that any investment in this country, even $1, must always be contingent on the Cuban nation's needs. A U.S. capitalist may want to invest in the country, but the decision is up to our country. Our country must decide if it is appropriate to let that U.S. capitalist or U.S. enterprise invest here. I believe the process is being strictly controlled by the Cuban revolutionary state—which always looks after the country's interests and its society's interests. It is not a matter of trying to get foreign currency at all costs or at any cost. It is true that there is currently competition for foreign investment, competition to attract investment throughout the world. That is why some countries provide more facilities than others, to attract capital, because capital is necessary for development; but I believe that, although Cuba provides facilities, it does not provide them in a deaf or blind way. The nation's vital interests always come first, and that is what gives me peace of mind.

[Rodriguez] There is another great difference between the way large capital is invested in Cuba and the way it is invested elsewhere. In our case, the state outlines the investment policies that should be carried out. Capitalists cannot simply come to Cuba and invest in any type of business. The only sectors that have been opened so far are the ones that generate hard currency and exports—or, in the case of tourism, exports within our borders. For example, a capitalist cannot simply come here and open a store, a network of stores, or invest in a garage. I believe we will not see this for a long time and I hope we never do.

[Sexto] I think Cuba can export street vendors. It does not need to import street vendors. [laughs] We have too many people with the ability to become street vendors, so there is no need to import street vendors. However, I believe the Cuban policy is correct. In fact, I believe the diversification of exports is a healthy thing. Many countries, rather than one country, should be allowed to invest in Cuba. That would prevent dependence.

Supreme Court Official on Penal Code Changes

FL1307185194 Havana Radio Progreso Network in Spanish 1100 GMT 12 Jul 94

[Report by judicial correspondent Alemai; from the "First Thing" program]

[Text] The penal code modifications laid out in Decree-Law 150 aim for more adequate and rigorous punitive measures in response to criminal acts with serious social implications and, above all, aim to protect public security and peace of mind by increasing respect for the law. The penalty for premeditated assault on authorities or on public servants, agents, or assistants now applies to premeditated assault on citizens who have helped defend the people's interests. This crime carries a penalty of one to three years in prison. Jorge Bodes Torres, president of the penal chamber of the People's Supreme Court, explains:

[Begin Bodes recording] The penal code had already addressed violence and intimidation against officials, agents, or authorities. This now includes crimes against citizens who serve as witnesses or who help officials, agents, or authorities in their duties. Penalties have been established. [end recording]

Public disorder to create panic or tumult or any other public disturbance carries a penalty of one to three years in prison or fines from 300 to 1,000 pesos or both. The penalty is the same for inciting quarrels or brawls to incite public disorder at certain gatherings, like shows, family reunions, and buses.

[Begin Bodes recording] The penalties are stiffer when public disorder causes panic or prompts a riot, when acts

of violence and indiscipline result in problems, worry, and instability. The penalties not only are stiffer but also cover a wider range of this type of criminal behavior. [end recording]

The penal code had addressed illegal profiteering only in cases where authorities, officials, or state employees were involved. The modifications laid out in Decree-Law 150 increase sentences from three to eight years and allow for goods to be confiscated. The average citizen committing this crime is now liable, with sentences of two to five years in prison. It must be noted that this crime is different from illegal profiteering, which is implemented administratively on moneybags, as stated in Decree-Law 149.

Alarcon Discusses Water Issues at Peoples Council Meeting

FL1407011794 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Jul 94

[From the "Exclusive" program]

[Text] The Havana City peoples council presidents' meeting has been held. Of the various issues discussed at the meeting, Ricardo Alarcon, president of the National Assembly of the People's Government and a Politburo member, stressed one in particular: the aqueduct situation—the water service situation in Havana City, including projects, investments budgets, the support of various organizations, analyses, water tanks, water tanker workers, and other issues, including what could be called bribery. It is within this context that Comrade Alarcon referred to the importance of the peoples' control in facing all problems, all current problems under the current circumstances.

[Begin Alarcon recording] We are living through a phase now where there are comrades who make great efforts, while there are others who offer dollars to corrupt, bribe, and resolve personal situations, situations pertaining to them alone, and not to the public. This too is present in our reality. In many cases there are phases when they are clearly confrontative, but there are other, complex situations, which at times are hard to identify or resolve, when the two basic tendencies of individualism and egoism conflict with the solidarity of the revolutionary, patriotic, and in a word, communist, spirit. It is logical that in the current situation, in the circumstances under which we are living, there are manifestations of egoism and individualism that give way to bribery and corruption. [end recording]

Alarcon said that we must fight a battle to make socialist etiquette and morals prevail, the spirit of solidarity, which is the essence of our society.

The Havana City peoples councils meeting also analyzed fulfillment of the medicine supply program, the implementation of Decree-Law 149, and the results of the progress report assemblies.

Estaban Lazo Attends Santiago de Cuba Harvest Meeting

FL1307220094 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Jul 94

[From "National Radio News"]

[Text] Santiago de Cuba Province has met its sugarcane spring planting campaign with the planting of 480 caballerias. This was announced during a 10-day sugarcane harvest assessment meeting held in San Luis Municipality. Esteban Lazo Hernandez, member of the Politburo and first secretary of the Communist Party of Cuba in Santiago de Cuba, participated in the meeting.

The effort of the sugarcane workers was described as titanic. To fulfill their most ambitious sugarcane planting program ever, they had to overcome the adverse weather difficulties of the first half of 1994. Esteban Lazo praised the workers in this respect and called for a similar effort in weeding and crop tending in an effort to attain a better crop in 1995.

It was also announced that the Paquito Rosales Mill is still in operation in an attempt to meet the provincial pledge, and that the national ceremony marking the creation of the sugarcane millionaire movement will be observed on 14 July at Romana Siete in Contramaestre Municipality.

Granma Province People's Assembly Reviews Efforts

FL1307172794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 12 Jul 94

[From the "NTV" newscast]

[Text] The Granma Province People's Assembly has reviewed economic and social accomplishments in preparing the progress report to be delivered at the forthcoming National Assembly of the People's Government [ANPP] session. The provincial assembly's third regular session is being held in Bayamo with the participation of Ricardo Alarcon de Quesada, Politburo member and ANPP president. The debates centered on the province's economic and social accomplishments, highlighting the construction of 1,363 low-cost homes between January and June 1994; the continuity attained in every educational level; and workers' efforts in the health sector, as well as with the sugarcane harvest and with sugarcane industry recovery efforts.

Roundup of Economic Developments

PA1407034094

[Editorial Report] The following is a compilation of reports on economic developments monitored through 12 July.

Jesus Perez Othon, basic industry vice minister, reported today that two weeks ago a French company began

drilling the second oil field in foreign hands in Cuba. The French Total Corporation is operating in the northwestern province of Matanzas, where Canadian companies Sherrit, Incorporated and Talisman Energy, Incorporated drilled the first heavy oil field in May. (Mexico City NOTIMEX in Spanish 2134 GMT 30 Jun 94)

Three Italian nongovernmental organizations will begin implementing large agricultural development programs, estimated to be worth more than $3 million, in Havana and Pinar del Rio Provinces. The Italian organizations are the South-South International Cooperation Organization, the Development Association, and the International Cooperation and Documentation Organization. (Havana Radio Havana Cuba in Spanish 0000 GMT 12 Jul 94)

Dominican Republic

Official: Army Ready To Prevent Entry of Haitians

PA1407030594 Madrid EFE in Spanish 2312 GMT 13 Jul 94

[Excerpt] Santo Domingo, 13 Jul (EFE)—Lieutenant General Constantino Matos Villanueva, Dominican Armed Forces secretary, said today that if there is an armed intervention in Haiti, Dominican troops are ready to prevent the flight of Haitians into the Dominican Republic.

"We are ready to face any eventuality, no matter the source, which might affect the safety of the Dominican people," the military chief said.

Matos Villanueva told EFE that Dominican troops are "silently preparing" for a possible influx of Haitians into Dominican territory. Matos Villanueva said these preparations involve "heavy expenditures," which the Dominican Government is paying for on its own.

He clarified that, even though the Dominicans "have no say in the matter," the UN embargo is being strictly upheld because the country is a member of the international community.

The Armed Forces secretary said that although U.S. officers visited the Dominican Republic on three occasions, the promised aid has not arrived.

"They were merely promises. They promised us helicopters, tents, motorcycles, jeeps, trucks, vans, infrared equipment, and so far we have not received a single screw," Matos Villanueva told EFE.

He added that the work of the [Dominican] military is apparently "viewed as efficient by the United States," so it "feels the aid is unnecessary." [passage omitted]

Commission Confirms 'Serious' Election Irregularities

PA1407000494 Paris AFP in Spanish 2153 GMT 13 Jul 94

[Text] Santo Domingo, 13 Jul (AFP)—The general elections held in the Dominican Republic on 16 May were marked by serious irregularities, which prevented some 73,000 registered voters from voting, according to a report presented today by an investigative commission.

The commission was made up of three members of the Central Electoral Board (JCE), two delegates from the ruling Social Christian Reformist Party (PRSC) and from the opposition's Dominican Revolutionary Party (PRD) respectively, and two vice rectors of private universities.

According to the report, there were omissions and substitutions in the official voter list used on election day, which was different from the one the JCE delivered to political parties days before.

The commission said it was not possible to establish whether the alterations to the voter lists could be attributed to electronic failures while the lists were being prepared.

The investigation was conducted based on the lists used at 3,000 voting centers, and some 45,000 omissions of registered voters and 28,000 name changes were confirmed.

Those irregularities could have affected the preliminary results that unofficially show current conservative President Joaquin Balaguer leading Social Democratic candidate Jose Francisco Pena Gomez by 30,000 votes (1 percent).

Among other irregularities, the commission found that the official voter lists were prepared without the supervision of the electoral tribunal and that, contravening legal regulations, the computer center responsible for preparing the lists did not allow delegates from political parties and international observers access to the lists for two days.

A copy of the report, which confirms charges made by the PRD during the past two months, was delivered to President Balaguer and the other four JCE judges.

Opposition groups organized several protests against the fraud this week, and authorities have arrested several leaders.

The PRD has been demanding the annulment of the 16 May elections and calling for new elections for president, congressmen, and municipal leaders.

Approximately 3.5 million people out of the 7 million inhabitants of the Dominican Republic were registered to vote in the 16 May elections.

Haiti

Provisional Minister Explains Expulsion of UN Mission

FL1307215994 Port-au-Prince Signal FM Radio in French 1030 GMT 13 Jul 94

[Report by Jacques Maurice on news conference by provisional Foreign Minister Charles David at the Ministry of Foreign Affairs in Port-au-Prince on 12 July; passages within quotation marks in Creole—recorded]

[Text] [Maurice] "Asking the civilian mission to leave the country had nothing to do with the United Nations in Haiti. Attorney Emile Jonassaint's provisional government stated in a news conference on the afternoon of 12 July that it will do its best to provide safety guarantees to members of the civilian mission so they can leave the country without problems."

[David] I do not see how this decision to expel the civilian mission, which is in an illegal situation in our country, could justify an intervention. For the time being, we are ensuring the safety of the civilian mission. We know that the civilian mission will leave Haitian soil on 13 July—let us say on the night of 13 July—at 2030. Everything is quiet. The country is quiet except for soccer fever. Well, the country is quiet. I do not see what could justify your apprehensions.

[Maurice] "The civilian mission personnel will leave the country on Wednesday night, 13 July. The foreign affairs minister of the Jonassaint government announced that everything will go well and that a decision was made to put things right. The United Nations has no need to be frightened. It is the civilian mission that had been illegal since 9 February."

[David] Following an incident that occurred on John Brown Avenue, during which security forces intercepted—after a murder attempt against a Haitian woman—intercepted [repeats himself] cars belonging to the civilian mission; they discovered radios that were not... [pauses] for which there were no permits; they discovered weapons for which the bearers had no permits. The government thus asked this mission to clarify its frame of reference. As the mission was unable to do this, it was asked to suspend its international activities... [pauses] its activities on national territory. To top it off, on the night of 8 July, the spokesman for this mission decided—in a provocation attempt while we were in the midst of rational negotiations—decided [repeats] to publicly announce that the mission was going to open its doors on 11 June [date as heard]. You know the rest. The expulsion order came out.

[Maurice] "The incident of Bourdon [upper John Brown Avenue] that the minister mentioned resulted in the death of one person. According to the minister, the forces of order caught a member of the mission with weapons and radios without proper permits. So he pointed an accusing finger at the mission, implying that shady activities were taking place. By way of evidence, Minister David cited the arms and ammunition we just mentioned, and which you just heard him mentioning in French. Haiti does not want to fight, even though its sovereignty is being trampled underfoot. But the U.S. Government is ready to use force if the sanctions aimed at making the military step down fail.

"Minister David said the Jonassaint government is ready to talk with the international community, that they owe it that much. Fortunately, contacts are being made and other countries have decided to help Haiti. Let us wait and see, said Minister David, with a half-smile. But (?his mood) changed when he cited lies by foreign journalists against the government and the military to show that there are good reasons for military intervention in the country. David believes that reasons can always be found, that even though there have been numerous bodies in the streets for some time, there is an underground trade in bodies. Foreigners are suspected of being involved in this matter of selling bodies. Even refugee activities are being encouraged by some sectors. They offer money and encourage boat people. Despite all that, the government is moving toward elections in the country, but this time, the members of the civilian mission will not be there. Minister David says he does not like to hypothesize."

UN Official: Mission Pullout 'Failure' for Military

FL1307212294 Port-au-Prince Radio Metropole in French 1045 GMT 13 Jul 94

[Text] The UN/OAS international civilian mission in charge of monitoring respect for human rights in Haiti has been expelled by the provisional government of President Emile Jonassaint. During a news conference on 12 July, the executive director of the mission confirmed the departure of the Civilian Mission in Haiti [MICIVIH] on Wednesday 13 June at 0030 GMT on a commercial Air France flight. Rothschild Francois, Jr. filed a report:

[Francois] In announcing the departure of members of the international civilian mission, the head of this team in charge of monitoring respect for human rights in Haiti stressed that its withdrawal was temporary. Colin Granderson of Trinidad advised that this measure was adopted for security reasons. The mission had until 13 July to leave Port-au-Prince, according to the current government's ultimatum. The mission's coordinator expressed indignation, however, that, quote: A handful of greedy, vainglorious individuals, whose power resides only in the canon of their weapons, has chosen to divert national sovereignty for their own benefit, regardless the welfare of an entire nation, unquote.

Colin Granderson explained that the decision by the UN and the OAS to suspend the mission was not an easy one. After analyzing the situation, the two organizations

chose the option of withdrawing this mission, which had been declared unwelcome by the government of Emile Jonassaint.

[Begin recording] [Granderson] We intend to leave the country tomorrow by an Air France flight to Pointe-a-Pitre.

[Francois] Where will you be based?

[Granderson] Right now, we have not yet solved all the logistics problems, but as I said, it is a temporary departure. It is possible that we will be based in Santo Domingo. But, I believe that it is still too soon to tell you that. We are leaving for security reasons. If the mission's security is assured, I believe that the mission will return. I think that if the military believed that it was necessary to force the civilian mission to leave the country, it is a failure for the military, not for the civilian mission. [end recording]

[Francois] In his meeting with the press from MICIVIH headquarters in Montagne Noire, Colin Granderson, speaking on behalf of the mission, indicated that the absence of MICIVIH in the field will have some negative impact on the human rights situation in Haiti.

[Begin recording] [Granderson] We know that our departure will create a vacuum. No one will be able to testify on the extent of repression in Haiti. In that regard, the civilian mission advises that the international community will make the military authorities accountable for what could happen to local members of the international civilian mission and to all of those who had the courage to testify in front of us. The de facto authorities have chosen to assume a heavy responsibility by enjoining us under threat to leave the country. They assumed this responsibility before the people and the international community. It is certain that our departure will mean a watershed in the Haitian crisis. The only consolation to the pride of the mission members today is for us to leave with our heads high, even though we feel we have not completed our task. In forcing us to leave the country, the military authorities and the de facto government implicitly recognize the importance of the mandate that was given to the international civilian mission. [end recording]

[Francois] It should be noted that 92 members of the mission, including the executive director, will therefore leave Port-au-Prince tonight for Pointe-a-Pitre aboard Air France. MICIVIH had resumed its activities in Haiti in January 1994, following its hurried evacuation in October 1993 for security reasons. On the eve of their departure, MICIVIH's first in command, Colin Granderson, pointed out, quote: We regret temporarily leaving this country to which we have all become very attached, unquote.

Resolution Approved To Eliminate Monetary Ceiling

FL1407002094 Port-au-Prince Radio Metropole in French 1600 GMT 13 Jul 94

[Excerpts] Some senators from the Sansaricq branch on 12 July voted for a resolution essentially canceling the system of issuing a monetary ceiling. Following a meeting devoted to the scarcity of fiduciary money, the senators gave the green light to central bank authorities to use the banknote plate whenever it is required. Edner Jean filed a report:

[Begin Jean recording] A blank check has been given to the central bank by the Senate of Bernard Sansaricq. From now on, the bank of banks is authorized to issue as much fiduciary money as is solicited from her. Clearly, this resolution has in fact eliminated the monetary ceiling system, regardless of the Constitution and the laws in force. Article One of the resolution indeed stipulates that the Bank of the Republic of Haiti, BRH, is authorized to make the necessary issuances to the money supply of the Haitian financial system and to take all adequate measures in view of the means of payment, as the economy requires.

These provisions therefore have no limit—neither as to time nor quantity. The only thing required of BRH is to address a detailed report on the country's monetary and financial situation to the Senate of the Republic at the end of each month. This resolution, adopted almost unanimously by the Senate led by Bernard Sansaricq, also ignored, in spirit and in letter, the recommendations of the Professional Association of Banks [APB], which had suggested a monetary ceiling of one billion gourdes. That arrangement, preferred by the APB, would have served as a liquid-asset stopgap measure while a legal means of eliminating the monetary ceiling system was awaited. The contested 18 January elected senators and some members of the Alliance made this decision based on the argument that international economic sanctions imposed on the Republic of Haiti, especially the systematic freezing of Haitian state funds abroad, worsened the country's economic and financial situation.

The nation's highest interests command the Senate of the Republic to adopt, in the public interest, any measures that can guarantee the continuity of the state, the survival of the financial system, and the regular functioning of public services. However, Senator Dejean Belizaire protested some provisions of Article One of this resolution. According to him, some safeguards should be put in

place by limiting, in time, the elimination of the monetary ceiling. [passage omitted]

All things considered, the resolution was approved without major difficulty. Those provisions will take effect immediately. [end recording]

Radio Confirms Air France To Suspend Flights

FL1307190794 Port-au-Prince Radio Metropole in French 1045 GMT 13 Jul 94

[Text] Radio France International reported this morning that Air France will suspend its weekly flights to Haiti on 1 August.

Prosecutor: Assassin Acted Alone in Colosio Death

PA1307174794 Mexico City XEW Television Network in Spanish 0430 GMT 13 Jul 94

[From the "24 Hours" newscast]

[Text] This evening the Special Deputy Attorney General's Office for the Colosio Case released a 13-page communique on the progress of its investigations. The communique reports that Mario Aburto is the sole and confessed assassin of Colosio.

The communique notes that Aburto wrote a manuscript that makes his criminal disposition evident. The document, signed by Special Prosecutor Miguel Montes and 11 experts, explains that a handwriting analysis of the documents leaves no doubt that Mario Aburto is the author of the card letter and of the journal book. The document reveals that before Mario Aburto considered taking action against Colosio, he had considered making another person his victim.

The communique states that on this basis, the Office can offer substantial conclusions because it has been shown that:

1. Mario Aburto Martinez was the mastermind as well as the assassin.
2. He planned the crime.
3. He claims he had political motivations for his crime.
4. He acted alone in committing the assassination.

The bulletin concludes that the results of this investigation are the product of an effort by a work-team composed of very honest people who are acknowledged professionals.

Roundup of Economic Developments

PA1307234294

[Editorial Report] The following is a compilation of reports on economic developments monitored through 12 July.

Mexican exports to the United States increased 20 percent during the first four months of 1994 following the implementation of NAFTA, according to official figures released on 5 July. This increase represents more than twice the increase in sales from all parts of the world to the United States, which only increased 8.4 percent over the same period. The figures are based on a report by the Mexican Commerce and Industrial Development Secretariat published in the special publication EL ECONOMISTA. (Paris AFP in Spanish 1418 GMT 5 Jul 94)

During a tour of Acapulco, Mexican Petroleum [Pemex] Director Francisco Rojas said that "not an inch of Mexican oil sovereignty has been lost." He noted that in the past six years "Pemex has contributed $106 billion to the country's revenues." Rojas said "Pemex reserves are equivalent to $850 billion" and he announced that "the supply of oil in Mexico is guaranteed beyond the year 2020." (Mexico City XEW Television Network in Spanish 0430 GMT 5 Jul 94)

The price of Mexican oil abroad increased 95 centavos from May to June, setting the average price per barrel at $14.76. This is the highest price since November 1992, when it was $15.55 per barrel. These figures are based on a publication by the Economic Policy General Criteria for 1994. Considering the exportation estimates of 1.337 billion barrels, the June increase netted $592.3 billion, which is practically $29 million over May's oil revenues. (Mexico City EL FINANCIERO in Spanish 6 Jul 94 p 3a)

The World Bank will grant $80 million in support for micro, small, and medium businesses in Mexico. According to Labor Secretariat sources, the support will be direct and will be used for training, modernization, and development of operational systems. The Labor Secretariat recognized that unemployment represents a serious problem inasmuch as 3.7 percent of the population is unemployed. (Monterrey EL NORTE (Foreign Edition) in Spanish 6 Jul 94 p 18a)

According to the Finance and Public Credit Secretariat, Mexico's "industrial growth in April 1994 reflected a positive increase of 6.5 percent compared to the same period in 1993 and marks the highest growth rate in the past 19 months." The most dynamic sectors in April were construction, which increased 8.2 percent; electricity, which increased 7.7 percent; mining, which increased 1.8 percent; and the manufacturing industry, which increased 6.7 percent compared to the same period in 1993. (Mexico City XEW Television Network in Spanish 0430 GMT 7 Jul 94)

The price of medicines such as penicillin, antibiotics, and birth control pills will drop between 10 and 50 percent in drug stores on 11 July. The basic medicine basket, which includes antibiotics, flu medicine, vitamins, birth control pills, and cough medicine, will be sold at cheaper prices. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 7 Jul 94)

The price of Mexican exportation crude went up $2.49 per barrel thus far in 1994, according to Pemex reports. During this period, the United States obtained 72.7 percent of the sales. According to Pemex, the production of liquid hydrocarbons between 1991 and 1994 reached the record figure of 2.78 million barrels daily. (Mexico City LA JORNADA in Spanish 7 Jul 94 p 52)

The Finance and Public Credit Secretariat reported on 6 July that during the first four months of 1994 the country's industrial sector grew 1.7 percent. This was achieved primarily by electricity generation and the construction industry, which showed increases of 5.5 percent and 5.1 percent, respectively. Over this period the manufacturing industry had the lowest increase of 0.5 percent compared to 1993 figures. (Mexico City LA JORNADA in Spanish 7 Jul 94 pp 52, 44)

Francisco Gil Diaz, vice governor of the Bank of Mexico, today denied a "possible devaluation of the peso regarding the dollar or that there would be a currency devaluation in the near future because the parity of Mexico's currency is fully supported by increasing foreign exchange revenue." Gil denied there has been a decline in private investment, but admitted that banking institutions have faced problems in placing credit because of high interest rates. (Mexico City EL FINANCIERO in Spanish 7 Jul 94 p 5)

In five years the United States will have exported to Mexico as much as 40 percent of the national demand for agricultural and poultry products, including items such as potatoes, beans, corn, barley, milk, eggs, and chicken. NAFTA's impact on the Mexican market will be greater because the effect of the annual increase—between 3 and 5 percent—of the negotiated import quotas outweighs the fact that 10- to 15-year deadlines were set for the lifting of tariffs on these products. (Mexico City EL FINANCIERO in Spanish 7 Jul 94 p 22)

Mexican Commerce Secretary Jaime Serra Puche has described as "very encouraging" a report that foreign investment during the current six-year term has exceeded $48 billion and that total exports to the United States under NAFTA have increased three times as fast as exports from the rest of the world to that country. (Mexico City UNOMASUNO in Spanish 8 Jul 94 pp 1, 6)

The Finance and Public Credit Secretariat issued a communique reporting that three new multipurpose banks, Banco Afirme, Banco del Atoyac, and Bansi, have been authorized. Each bank will have capital worth $36.36 million and will operate regionally and sectorially. With the addition of these banks, the number of such new corporations has risen to 17. Banco Afirme will be active in the services, transformation industry, and commerce sectors and will serve micro and small enterprises. Banco del Atoyac will serve agroindustry and commerce. Bansi intends to serve the agriculture, industry, tourism, and construction sectors. (Mexico City NOTIMEX in Spanish 2259 GMT 10 Jul 94)

National Finance Bank, Incorporated issued a communique reporting that it will open its first overseas branch in London on 11 July to promote Mexican corporations in Europe. The presence of this institution will make it possible to improve the liquidity of Mexican securities in this market. Activities of this branch will include the sale and purchase of foreign currencies, secondary market debts, money market operations, corporate finances, foreign trade financing, deposits, and advice on the placement of debt certificates of Mexican corporations in Europe. (Madrid EFE in Spanish 2340 GMT 10 Jul 94)

Mexico leads Latin American countries by having placed $1.492 billion in capital in international markets at the end of the first semester of 1994. Total operations in the region equalled $2.676 billion, 55.75 percent of which was received by Mexican enterprises, according to the stock brokers enterprise Accival. In addition, Accival reported that the international issuance of shares amounted to $63.394 billion at the end of the first semester this year and that Mexico's operations, amounting to $1.492 billion, represented 2.35 percent of the total. (Mexico City UNOMASUNO in Spanish 11 Jul 94 p 17)

Commerce Secretary Jaime Serra Puche reported during the general assembly of the National Agriculture Council that Mexican products exported to the 126 member GATT member countries will pay tariffs of less than 35 percent. He also said that after NAFTA and agreements with Central and South American countries are signed, Mexico will be the only country on the American continent with free access to all regional markets. (Mexico City NOTIMEX in Spanish 0015 GMT 12 Jul 94)

Finance Secretary Pedro Aspe reported that private investment has increased but that the growth rate has been lower than expected. He added that in the past five years the number of small businesses has increased by 1300 percent. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 12 Jul 94)

Guatemala

Roundup of Economic Developments

PA1307122894

[Editorial Report] The following is a compilation of reports on economic developments monitored through 12 July.

The Bank of Guatemala has reported that income from exports during the first six month of 1994 increased $178.7 million compared to 1993. The report states that exports during the same period in 1993 produced $595.9 million, while they increased to $774.6 million in 1994. During the first half of 1993, foreign exchange received through traditional products totaled $303.7 million, while in 1994 they increased to $433 million. Meanwhile, income from nontraditional products was $233.5 in 1993 and $281.1 million in 1994. Exports to Central America also increased during the first six months of the year from $58.7 million in 1993 to $69.4 million in 1994. (Guatemala City PRENSA LIBRE in Spanish 8 Jul 94 p 76)

The Guatemalan Government's expenses increased 57.7 million quetzales (approximately $10.12 million) during the first semester of 1994 compared to the same period last year, official sources reported on 11 July. The report adds that while government expenses during the first six months of 1994 totaled 2.8749 billion quetzales (approximately $504.37 million), they were 2.8172 billion quetzales (approximately $494.25 million) in 1993. It was also reported that investments for this period have been reduced 92 million quetzales (approximately $16.14 million) compared to last year, when they totaled 636.6 million quetzales (approximately $111.7 million). (Panama City ACAN in Spanish 0013 GMT 12 Jul 94)

Nicaragua

Roundup of Economic Developments

PA1407023194

[Editorial Report] The following is a compilation of reports on economic developments monitored through 12 Jul 94.

On Wednesday the German Government pardoned 70 percent of Nicaragua's debt to Germany, which was $700 million, including most of Nicaragua's debt to the former German Democratic Republic (GDR). A press release from the presidency says Germany also signed a cooperation agreement with Nicaragua worth 53 million German marks to foster Nicaragua's development in health, balance of payments, and technical cooperation. Nicaragua's debt with the GDR was $550 million, 80 percent ($490 million) of which was pardoned. This negotiation sets a precedent for future negotiations with the former Soviet Union, to which Nicaragua owes $3.2 billion. Nicaragua's total debt is $10 billion. (Paris AFP in Spanish 0007 GMT 7 Jul 94)

Nicaragua is losing some $40 million daily due to the strict energy rationing that began last week. Mario Alegria, director of the Nicaraguan Institute for Economic and Social Research of the Private Sector, told LA PRENSA that the energy cuts are drastically affecting industrial production, agriculture, and trade. (Panama City ACAN in Spanish 2118 GMT 8 Jul 94)

According to a Nicaraguan Central bank spokesman, the accumulated inflation rate for the first six months of 1994 was 5.67 percent. In June the inflation rate was 2.2 percent, surpassing the 0.62 percent rate registered in May. Price increases in transportation, telecommunications, clothing, and shoes were the main causes of this rise in the inflation rate. (Panama City ACAN in Spanish 2301 GMT 11 Jul 94)

Panama

Acting Minister on Possible Asylum for Cedras

PA1307152294 Panama City LA PRENSA in Spanish 13 Jul 94 p 1A

[Text] Acting Foreign Minister Roberto Aleman affirmed yesterday that President Guillermo Endara and his successor, Ernesto Perez Balladares, are prepared to "consider" the possibility of granting asylum to General Raoul Cedras.

Aleman, who is also chairman of the National Council of Foreign Relations, says that he finds "interesting" the proposal Perez Balladares made in this regard in Madrid. Perez Balladares is on a three-day visit to the Spanish capital.

Aleman, who is in charge of the Foreign Ministry during the absence of Jose Mulino, who is currently in Taipei, said: "I am sure that if it would help prevent a worsening of the Haitian conflict, President Endara would be in favor of considering a request in that direction."

The acting foreign minister said that so far "I know nothing about Cedras" asking for political asylum in Panama.

As Aleman sees it, Cedras "has reasons" for asking for asylum if a new regime emerges in Haiti because he would risk "imprisonment and punishment" if he were to stay in Haiti.

Roberto Aleman explained that if a solution to the Haitian crisis depends on Panama granting political asylum to Cedras and his government, "I think President Endara must satisfy such a request."

The acting minister said: "I think that the president would be prepared to grant asylum to Cedras, as incumbent president Ernesto Perez Balladares has proposed, if such a request is made."

But Endara said recently that his government will not grant political asylum to "coupists" who have shown no respect for democracy.

Referring to inauguration day, the president said: "If Perez Balladares wants to grant him asylum, let him wait until 1 September. I am not going to pick up garbage."

Meanwhile, yesterday in the Legislative Assembly Legislator Gisela Chung strongly questioned the statement Perez Balladares made in Madrid with regard to the possibility of giving political asylum to Cedras.

According to Chung, Perez Balladares, through his "zigzagging" policy on the Haitians and now, by offering a golden exile in the country to a "genocidal criminal" like Cedras, who has massacred his people, is creating a certain impression of Panama abroad.

Meanwhile, Legislator Balbina Herrera has said with regard to the offer made to Cedras and his government, that if this could resolve the Haitian crisis, any chief of state in the world would make it.

Perez Balladares said yesterday in Madrid that he is prepared to offer asylum to the Haitian military rulers if this would contribute to resolving the political crisis on that island.

He noted: "If giving asylum to the military leaders for a established period of time were to resolve the Haitian problem, my initial answer would be yes."

Perez Balladares, who will take over from President Endara in September, is in Madrid, Spain, on a three-day official visit.

The issue of the refugees, thousands of which flee Haiti by sea, has divided Perez Balladares and Endara. Endara initially favored accepting 10,000 Haitians but he then changed his mind.

Perez Balladares has said that he does not understand this change of mind, although he believes that it was probably due to pressure on Endara.

Perez Balladares agreed with President Endara that "10,000 is a very large number."

During the past week, U.S. authorities have pressured several Caribbean nations to receive the Haitians.

Comments on Terms for Cedras Asylum

PA1307193194 Panama City Telemetro Television Network in Spanish 1730 GMT 13 Jul 94

[Report by Juan de Dios Hernandez; from the "Telemetro Reports" newscast—live]

[Text] [Hernandez] We are here at the Presidential Palace, where Acting Foreign Minister Roberto Aleman was interviewed. He referred specifically to the topic raised a few days ago by Panamanian President-elect Ernesto Perez Balladares, that Panama might grant asylum to Haitian leader General Raoul Cedras.

[Begin recording] [Unidentified reporter] What is the position of the national government regarding the possibility of bringing Gen. Cedras to Panama as an exile?

[Aleman] I have not discussed that topic with the president. Personally, I think that if Gen. Cedras requests political asylum in Panama the Panamanian Government should consider his request. Undoubtedly in asking to leave Haiti Gen. Cedras could say that his remaining in the country would pose a problem, because he could become the object of political persecution. In essence, international law dictates that the country granting asylum—before it grants asylum or before it feels compelled to grant asylum to a person—must consider whether that person is politically persecuted. Nobody can ask for political asylum by saying: I want to go to live in Panama because I can improve my living standards there. That would not be a condition for requesting political asylum, according to international law. But if he says: If I stay in my country I could be punished for political crimes, undoubtedly that would serve as a basis. The country granting the asylum undoubtedly must decide whether it will grant political asylum.

[Reporter] What about a multilateral invasion?

[Aleman] I don't have the slightest idea about whether this has been proposed to Panama. I don't know why it would be, because with all of our problems we cannot be solving hypothetical problems. [end recording]

Escobar Bethancourt on U.S. Talks, Haitians

PA1307160294 Panama City Telemetro Television Network in Spanish 1210 GMT 13 Jul 94

[Interview with Romulo Escobar Bethancourt, active member of the PRD and negotiator of the Panama Canal Treaties, by Lucy Molinar in Panama City; from the "Morning Newscast"—live]

[Text] [Molinar] We will discuss with Mr. Romulo Escobar Bethancourt the international situation, in particular Haiti, which has been the center of the public opinion in the past few weeks.

Yesterday, we were greeted by the report that the Social Security Fund is considering the possibility of raising the retirees' salaries. Just like them, many other sectors in the country expect to improve their financial and social situation, as well as their standard of living. For this reason, many people opposed bringing Haitian refugees into the country. If we all had been waiting for our situation to improve, why would so many people be allowed to come to the country, people who would become a burden for the state? Because there have been contradictory reports saying that Haitian refugees are coming or not coming, we have tried to talk to many people in the hope that someone can tell us exactly what is behind the Haitian refugees' arrival. With great effort, we located Mr. Bethancourt, whom we thank for being with us this morning. Thanks for coming.

[Escobar Bethancourt] You're welcome. I am glad to.

[Molinar] Let's start from the beginning. Why bring Haitians to Panama? I understand you met with Mr. Kozak and the other U.S. delegates. If it is certain that Haitians could not leave areas to which they were confined, why not take them to the United States? Did the delegates say anything about this?

[Escobar Bethancourt] The idea of bringing in Haitians originated with the present government. We had nothing to do with this—let's say—initial impulse. The president of the Republic announced it to the country.

[Molinar] When you people met with these gentlemen, didn't you tell them not to bring us this problem, that U.S. territory is large enough to receive the Haitians, and that the United States can solve the problem all by itself?

[Escobar Bethancourt] No. We met with them long after the Haitian refugees' problem had been created in Panama. The delegates came when the situation got a little difficult because of the disagreement between the president of the Republic and the president-elect. That is when the U.S. Government sent a delegation. But the idea of accepting Haitian refugees already was in the public domain, both local and international.

[Molinar] The possibility of using U.S. territory instead of our territory was not considered? No one has mentioned this possibility.

[Escobar Bethancourt] This stage had passed by the time we came into the picture.

[Molinar] In other words, you people entered the picture after the problem had already begun. Would the Treaties be violated if the North Americans bring the Haitians to a U.S. military base?

[Escobar Bethancourt] There would be no violation if the Haitians are brought to a military base.

[Molinar] According to the foreign minister, the bases were established for a specific purpose and should not be used for any other purpose.

[Escobar Bethancourt] It's like this. Defense sites were created for the basic purpose of protecting and defending the Panama Canal. The Treaties also allow the United States to conduct other activities not directly related to the Canal's protection and defense. These other activities, which include humanitarian aid, permit the use of military bases, through an agreement between the two countries, for lodging Haitians if they arrive.

[Molinar] Mr. Romulo Escobar, do you think in fact that the United States can maintain 5,000, 10,000, or whatever amount inside a specific area all day long without any chance that they will get into the city? Is that possible?

[Escobar Bethancourt] It is possible, because in other countries refugee camps have been set up that keep the refugees inside. They are even supervised by the United Nations and are given food, etc., but they are not permitted to leave. I understand, for instance, that in Turkey the refugee camps for Kurds work that way. I think there are other camps that operate similarly in other places, but I don't know the specifics.

[Molinar] Some people are pretty skeptical about the U.S. actions in this matter, for instance, in fulfilling the Treaties. For example, someone said yesterday that the North Americans have violated the Treaties because they are not using Panamanian products on the bases, as was established in the Treaties. There are a series of things whereby, according to many Panamanians, the Treaties have been violated. If the Treaties have been violated and this is in fact true, how is it that an international agreement of that sort, which does not carry the weight of a treaty, will not end up being violated?

[Escobar Bethancourt] Treaties always depend on good faith. This case is very specific. It is an issue, and it is a struggle in which we are engaged, to have the United States be the one directly responsible for the Haitians, be responsible for maintaining them, feeding them, giving them medical assistance, and repatriating them. In fact, we have not agreed to the United Nations taking charge of that, because we consider it easier to place the responsibility on the United States than on the United Nations.

[Molinar] When the U.S. delegates Mr. Linowitz and Mr. Kozak left, President Endara stuck to his position, but everyone said: Oh, two delegates from President Carter, pardon me, from U.S. President Clinton have come. Certainly the Panamanian Government must have capitulated. Did it capitulate?

[Escobar Bethancourt] No, I understand that it did not. I understand that President Endara is maintaining his position of not accepting them.

[Molinar] When Mr. Perez Balladares takes office on 1 September...

[Escobar Bethancourt, interrupting] When Dr. Perez Balladares takes office on 1 September that is another thing, because as of now he has said he would accept a group of Haitians if they arrive under the conditions he has stipulated. The conditions are that they be confined to the defense sites.

[Molinar] Doesn't that decision have to do with the influence, with the visit of those gentlemen?

[Escobar Bethancourt] No, that position was stated before they arrived.

[Molinar] All right. Many wonder what will happen to the children of those Haitians born in Panama?

[Escobar Bethancourt] Well, Haitians' children born in Panama are Panamanian, according to our Constitution.

[Molinar] Will they be given nationality?

[Escobar Bethancourt] Anyone born in Panama is a Panamanian, whether the child has Panamanian parents or foreign parents.

[Molinar] Can those children leave the territory and the bases?

[Escobar Bethancourt] That would need a special regulation, because if they are on the bases that would have to be discussed. Because they would be under the administration, authority, and regulations of the United States, the question arises as to the extent to which what we could call partial jurisdiction is exercised that would allow a decision as to whether they would constitute an exception. But I'm not sure they would be an exception.

[Molinar] We just heard that Perez Balladares said in Spain that he is prepared to grant asylum to the people governing Haiti right now. How does this make us look internationally?

[Escobar Bethancourt] In my opinion, very good. We are struggling not only for humanitarian assistance and other objectives in favor of Haiti; we are also struggling to prevent, to the extent of our ability, an invasion of Haiti.

We, as a party, share Perez Balladares' position opposing a military invasion of Haiti because we know, from our own experience, that a military invasion of Haiti will result in the deaths of many Haitian people, not just military people. When Perez Balladares spoke in Europe about granting asylum to the military people, he created for them an opening so that they may try and leave Haiti before there is a military invasion.

[Molinar] Many view this invasion as imminent.

[Escobar Bethancourt] It appears imminent.

[Molinar] Wouldn't bringing these military people here to Panama create some apprehension here and abroad as to what Panama is and what the government of Perez Balladares might become, considering its track record?

[Escobar Bethancourt] Not necessarily. Perez Balladares said he would receive the Haitians as refugees for a specific period of time. It is clear that the intention is to cooperate so that there will be a peaceful solution to the Haitian problem.

[Molinar] Don't you think we have very unusual ways of promoting our international image? Panama welcomed the Shah; Panama endured a crisis from 1987 to 1990; Panama now tells the Haitian military to come here. Does this help us?

[Escobar Bethancourt] One thing that does not help is having an erratic foreign policy. Panama must be firm in its decision. The worst thing a country can do is to act erratically. Since the Haitian problem emerged, since the problem of the Haitians emerged, and since Panama's position has been made known, we are trying to find the best way for Panama to face its initial responsibility so that we may be seen internationally as a responsible country.

[Molinar] On behalf of people who have questions about how Haitians would get to Panama, since apparently they will be coming to Panama, what guarantees are there that the street vendors on Central Avenue will not soon be facing competition from Haitian craftsmen?

[Escobar Bethancourt] I don't know if they will be coming or not. This depends on the government of President Endara. He is the one who can decide whether they come. I want to make clear that we, the Democratic Revolutionary Party and Perez Balladares specifically have no power or right to make any decision before 1 September.

[Molinar] If President Endara makes a decision now [words indistinct].

[Escobar Bethancourt] They would not happen while Endara is president. If they were to come later, there is no reason to fear that they will compete for jobs or with the street vendors, or with commercial or labor activities in Panama, because they would come only after having agreed to the conditions established by Perez Balladares. These conditions are very clear: they must be at a military site under U.S. Army control and the United States will be responsible for caring for them and for their repatriation. Panama would have the right to inspect and see that these conditions are met.

The president-elect has said that 10,000 refugees would be too many, that it would have to be 5,000, and that the stay in Panama that has been mentioned—one year—would be too long; the period would be six months.

[Molinar] People are calling in to ask you questions; I'll pass these on. How can we believe the United States, if when it built the Canal many people were brought here from the Caribbean to build it. Supposedly, one of the commitments was to return them to their countries, but they were never repatriated. I imagine this is the question. Why should we believe the United States this time?

[Escobar Bethancourt] They did not repatriate them because the Panamanians did not allow them to be returned. The landlords, the owners of houses for rent built in populated neighborhoods, did not want them to be returned to their countries because they would lose their tenants. So anyone who has this question should research the documents to see that the fundamental reason why all those who came from Jamaica, from Haiti, and from the Caribbean islands did not return to their country was because the Panamanian landlords did not want them to be returned.

[Molinar] Did the landlords have that much power back then?

[Escobar Bethancourt] They governed the country.

[Molinar] Mr. Romulo Escobar, thank you very much. Still pending is the question that many Panamanians have: How is it possible that the United States does not use its territory to take in all of these people and is now looking for countries to give them refuge? We will have to ask this question of someone capable of responding, and I do not think we will be able to do so. There is much secrecy in Panamanian sectors that have connections to the United States and that might be able to answer this type of question.

[Escobar Bethancourt] I can say the following on that point: The United States also... [pauses] I know in the wake of the talks we have held with them... [pauses] One of the fundamental reasons it asked for help from several Latin American countries in receiving the Haitian refugees was because this would be a way to dissuade Haitians from leaving their country. The United States says that a large part of the problem of the exodus of the Haitian people is that they all want to go to the United States. When it announces that they will be going to Panama, instead of the United States, or to another Caribbean or Latin American country that agrees to accept them, then Haitians will not be too enthused about leaving their country.

[Molinar] Other positions on this same topic allude to the idea that the United States is probably trying to involve many countries in this problem so that when it invades, no one can say: Oh, the world's policeman! Instead all countries would be somewhat involved in the matter. Isn't that possible?

[Escobar Bethancourt] Yes, that could be. Before staging a military action it tries to attract support, to obtain international support. In Haiti's case I think the United States is in fact receiving support. When the group of the big countries, the Group of Seven—I understand they are now eight—met, it expressed support for the U.S. policy and demanded that the Haitian military junta leave the country. So it is not a case of only regional support or continental support, but rather the United States is getting support from other countries in the world. This shows that it is about to make, in my opinion, a military decision on Haiti.

[Molinar] We will be staying abreast of what is happening in Haiti. Thank you, Mr. Romulo Escobar, for being with us this morning.

PRD Supports President-Elect on Haitian Issue

PA1307170794 Panama City LA PRENSA in Spanish 13 Jul 94 p 2A

[Report by Ibeth Vega G. and Hermes Sucre Serrano]

[Text] In a communique released yesterday, the Democratic Revolutionary Party [PRD] stated its support for President-elect Ernesto Perez Balladares' position on the possibility of receiving Haitians fleeing the military dictatorship in their country.

The PRD communique was released after Perez Balladares announced over the weekend that he is willing to accept the arrival of Haitian refugees provided the U.S. Government comply with three important requirements.

The president-elect said he will accept the presence of Haitian refugees on condition that their number be limited to less than 10,000, that they stay for a period of time not exceeding six months, and that they be kept on U.S. military bases away from Panamanian towns and under U.S. Army control.

According to the communique, signed by PRD President Gerardo Gonzalez, "the PRD hereby expresses full support for Dr. Perez Balladares' position on the U.S. Government's request for the Panamanian Government to receive Haitians who flee their home country."

One day before the communique was released, however, PRD deputy Balbina Herrera said that the PRD, and she in particular, supported the Panamanian people's position, most of whom had rejected the presence of Haitian refugees on Panamanian soil.

The communique added that PRD's position can be summed up like this: If the current government, whose responsibility it is to make an official decision on the subject prior to 31 August, honors the U.S. Government's request, "the number of refugees shall be limited and their stay shall not exceed six months."

The PRD thinks the United States should be responsible for the Haitian refugees' stay, protection, well-being, and departure when the established deadline is reached. "The U.S. Government and Army shall be primarily responsible for the control of the sites where the Haitians shall be kept," the document remarks.

In addition, the PRD rejected the economic embargo and armed invasion as foreign policy measures and he pointed out that multilateral and peaceful efforts are the proper method for resolving conflicts.

Furthermore, the PRD reported that the crisis in Panama over the Haitian refugees affair is the result of President Guillermo Endara's "hasty and unconsulted" decision.

"Finally, we fully endorse the Panamanian Episcopal Conference's appeal to Christian brotherhood and kindness on behalf of the Haitian people," the communique said.

Refugees, Haitian refugees in this instance, should not be confined in "mere temporary concentration camps," with just food and lodgings, but they should be afforded other opportunities, the Santa Maria la Antigua University's Center for Ethnic and Migration Studies (CEEM/USMA) has warned.

The Center, which is in formative stages, says that Panama requires new migration and refugee policies and should participate in the activities of international organizations involved in these actions.

On the Haitian refugees, CEEM/USMA said: "The existing legislation is ambiguous and lacks a definite and feasible ethic and economic basis."

According to the document, it is essential to organize the future acceptance of immigrants and refugees of any kind so they can be offered jobs, education, health, and other benefits.

Ramon Mon, CEE/USMA's psychologist and coordinator, has reported that the center will offer an opportunity for the Panamanian society's various ethnic groups to report to the public on their characteristics and idiosyncrasies.

This organization, involved in the area of teaching and research, relies on the cooperation of experts in history, anthropology, sociology, psychology, and other social disciplines.

Mon said the center has the following experts as advisers: Orlando Acosta, industrial engineer; Enrique Castro Rios, visual artist; Carlos Castro, sociologist; Horacio Icaza, economist; Carlos Fitzgerald, archaeologist; Maritza Lasso, historian; Rodrigo Noriega, international law expert; Anibal Pastor, Ana Elena Porras, and Francoise Sinclair, anthropologists; Lelia Vasquez, international studies expert; and Luis Wong, biological sciences expert.

Roundup of Economic Developments

PA1307235694

[Editorial Report] The following is a compilation of reports on economic developments monitored through 12 July 94.

Planning Minister Delia Cardenas has been authorized to negotiate the exchange of a $10-million housing loan guaranteed by the Agency for International Development for lower interest rates. Panama has received numerous offers to make this exchange. (Panama City LA PRENSA in Spanish 9 Jul 94 p 2)

Preliminary studies released by the Planning Ministry indicate that the GDP will increase an estimated 5.1 percent in the first four months of 1994 compared to the same period in 1993. The report anticipates growth in all sectors, principally in the construction, financial, and transportation sectors. Estimated growth rates per sector are as follows: construction, 20 percent; finance, 9 percent; trade, 5.7 percent; manufacturing, 2.5 percent; transportation, 3 percent; agriculture, 3 percent; fishing, 1.5 percent; mining, 10 percent; public services, electricity, gas, and water, 5.7 percent; and other services, 3 percent. (Panama City EL PANAMA AMERICA in Spanish 12 Jul 94 p b4.)

Argentina

Government To Increase Airline Flights to U.S.

PY1407015494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2110 GMT 12 Jul 94

[Text] Buenos Aires, 12 Jul (NA)—Argentina has agreed to increase by 20 percent the number of flights of the airline companies that link Buenos Aires and the United States. This agreement was reached today between Argentine Economy Minister Domingo Cavallo, Spanish Industry Minister Juan Manuel Eguiagaray, and Juan Saez, vice president of Iberia [Spanish Airlines].

According to the agreement, the airlines have been making 16 weekly flights to the United States during the low season and 22 during the high season.

As of now, with the increase, 22 flights will be made all year around.

Thus, the round of negotiations before the discussions regarding the bilateral air transport agreement Argentina will discuss with the United States on 14 and 15 July in Washington has had a positive result.

The Spanish approval will allow Argentine authorities to propose to the U.S. authorities a 20 percent increase in flights during the low season, thus equalizing the number of flights during the low and high seasons.

The initiative, which will be officially announced by Air Transport Under Secretary Raul Ercole, will be Argentina's response to the U.S. demand that the number of weekly flights be increased to 32.

The meeting, which lasted for approximately 1 hour, was held behind closed doors in the Portrait Room of the Economy Ministry.

At the end of the meeting, the officials of the two countries decided to share lunch under the same closed door conditions.

After lunch, and without making any official statement, Cavallo left the Economy Ministry with his aides and Eguiagaray and his team.

Transport Secretary Edmundo Soria; Air Transport Under Secretary Raul Eercole; and Horacio Liendo, coordination, legal, technical, and administrative secretary, also participated in the meeting.

The proposal that Aerolineas Argentinas submitted to the local authorities establishes 22 weekly flights all year round, in addition to the possibility of operating in the U.S. cities of Orlando, Washington, Los Angeles (with the flight to Tokyo), and New York (with the flight to Canada).

According to the government, the conditions are right to discuss the matter of frequency because data gathered over the past 12 months reveals that 57 percent of seats are occupied on all flights.

Under the agreement currently in force, when the seat occupancy rate surpasses 55 percent, one of the parties can ask for a revision of the number of flights.

Regarding the possibility that the United States will question the character of Aerolineas Argentinas due to the fact that foreign capital constitutes the majority of the airline's shares, the government responded by indicating that Argentina "is applying current legislation."

National authorities reevaluated the Aeronautical Code, thus allowing Iberia to increase its capital in Aerolineas Argentinas by placing a packet of shares in the name of another company domiciled in Argentina.

Most likely the United States will not accept this interpretation, on the basis of the argument that Aerolineas Argentinas cannot be the airline bearing the national flag because the majority of its capital is in the hands of a foreign company.

This infighting with Washington has included another protagonist during the past few days because former U.S. Ambassador Terence Todman has accepted the position of director on the board of Aerolineas Argentinas. The board will discuss this matter during its next meeting, scheduled for the first few days of August.

Bolivia

MIR Accuses U.S. of Trying To Destroy Party

PY1307164894 Santa Cruz EL MUNDO in Spanish 29 Jun 94 National Section p 1

[Text] La Paz, 28 Jun (EL MUNDO)—The leaders of the Movement of the Revolutionary Left (MIR) today expressed concern that the United States, through its embassy and other organizations is trying to destroy the party. They said this in reference to the investigation into the "narco-links."

MIR Deputy Sergio Medinacelli pointed out that, going beyond the DEA's objectives and investigations, open interference by the U.S. Embassy has been detected.

He emphasized that apparently the objective is not really to discover the supposed links between certain party leaders and drug trafficker Isaac Chavarria Diez de Medina, but rather the destruction of the political alternative offered by social democracy.

He added that U.S. officials have not made an historical evaluation of the "MIR principles" that were born in the struggle to recover democracy and reestablish full respect for the law and human rights.

Medinacelli added that several "MIR leaders" became martyrs of democracy, having been murdered during the dictatorships, as happened in January 1981 when eight high-ranking party leaders were shot to death by a paramilitary group during the Luis Garcia Meza dictatorship.

Medinacelli said that Bolivians must not allow the United States to destroy the MIR, and warned that other political parties would run the same risk in the future if measures to defend national sovereignty are not adopted.

New Drug Enforcement Strategy Includes Precursors

PY1407025194 La Paz PRESENCIA in Spanish 6 Jul 94 p 7

[Text] Government Minister German Quiroga said yesterday that the executive branch will give priority to the control of precursors for making cocaine and reiterated that the government drug enforcement policy does include the eradication of surplus coca by force.

He indicated, however, that the virtual new direction of drug enforcement does not mean failing to comply with the international agreements signed by the country.

Quiroga added: "We tired of saying the government policy was not aimed at eradicating coca by force but voluntarily. What we will do is maintain very strict control over the commercialization of precursors."

Recognizing that coca production is only an element of the coca-cocaine circuit, Quiroga said: "Cocaine cannot be produced from coca alone; precursors are needed. This is why we believe the most aggressive part of the interdiction task must be concentrated on precursors."

Quiroga also said on 2 July that drug traffickers of the Medellin cartel (Colombia) have settled in Chapare, but this statement was rejected by the coca producers federation of that region, which labeled the comment the beginning of a stage of indiscriminate repression by the government.

Evo Morales, executive secretary of the five federation of coca producers of Chapare, reported that in the last few weeks national officials approved a secret plan for eradicating surplus coca and for fulfilling all the commitments signed with the U.S. Government on this issue.

But Minister Quiroga said that report is aimed at confounding the people.

Quiroga said: "For the leaders among coca growers, there are no international drug traffickers in the region; there are no coca plantations used for drug trafficking. They do not believe we are the second largest cocaine producer in the world either, and they do not believe the drug trafficking mafia live on the drug produced in Bolivia. Not realizing that is like trying to cover the sun with a finger."

Quiroga said that despite the peasant opposition the government will not go back on his policy to fight the international drug trafficking mafia. He reiterated: "The struggle is not against growers but against traffickers, drug producers, and distributors."

Within that context, Quiroga emphasized U.S. Government cooperation and denied that relations with the United States are "narcotized," as reported by several politicians of opposition parties.

He said: "The United States is the country that provides the most cooperation to Bolivia in the struggle against drug trafficking, but I do not believe this is the only aspect of our bilateral relations."

Foreign Minister Aranibar Views Chilean Ties

PY1307184094 La Paz PRESENCIA in Spanish 1 Jul 94 p 2

[Interview with Foreign Minister Antonio Aranibar Quiroga by unidentified reporter in La Paz; date not given]

[Excerpts] [PRESENCIA] How did you find the Foreign Ministry when you were appointed?

[Aranibar] The Foreign Ministry had basically been discredited. The scope of its tasks and functions had been minimized; it had been used for political purposes; and, consequently, it had been tarnished by an administration that was not based on institutional aspects nor on respect for a relationship that reflected what is established by the Constitution and the law.

This is not the complete picture. Despite all these elements and some bureaucratic difficulties—which exist in every government office—we have valuable human and professional resources. Within a political and diplomatic administration, this factor can override all political-partisan circumstances, is positive, and must be preserved.

[PRESENCIA] What are your ministry's structural problems?

[Aranibar] Despite all our progress in developing a democratic culture, and the concrete and highly positive steps toward that goal by the different components of the political system, the awareness that our foreign policy should respond to national consensus and never become a vehicle for internal political struggle has yet to be consolidated.

I believe this is the basic structural problem: An awareness that international policy should reflect the interests of the whole nation and cover all important political sectors if it is to be effective has yet to be consolidated in the political system.

From that perspective we have implemented the Foreign Service Law through the creation of the Permanent Consultative Council of the Foreign Ministry. Its members have been chosen to ensure the participation of many political parties, ideologies, and thoughts on foreign policy.

A regulation has been established and is now being implemented. This represents an adjustment process.

There have probably been dozens of consultative councils throughout our history but I am trying to establish a council that goes beyond the others in the construction of a culture of consensus that will lead to a real national foreign policy.

It is working, with some problems, and is showing that this effort is not easy. So far we are seeing concrete results that can go far because it allows us to become aware of building a national policy.

[PRESENCIA] How often does the council meet?

[Aranibar] At least once a month, and it is finding its rhythm of work, tactics, and style. I believe we made positive progress.

We have also created the Unit for Foreign Policy Analysis [Udapex], a permanent analytical body to provide the Foreign Ministry with the necessary elements to act—not just as a reaction but actively. In other words to take initiatives, getting ahead of circumstances and events, and not just to react to the development of events.

Udapex was created to follow up and analyze the international situation without sectorial political or ideological-dogmatic ties, and give the Foreign Ministry the ability for action and initiative.

I believe the work was positive (even though we have not systematically evaluated it). It was necessary to gradually adjust, not just in relation to the composition of the team by improving it, but especially in relation to its link with the rest of the Foreign Ministry. [passage omitted]

[PRESENCIA] What steps have been taken by the Foreign Ministry regarding our sea outlet claim and our relations with Chile?

[Aranibar] We are interested in fully developing links between the Chilean and Bolivian civilian and political societies, seeking better conditions for the rapprochement of a problem which is vital for the nation: Our century-old land-locked situation.

We want to work on that without ever forgetting that there can be no normalization of relations—I am not talking of just diplomatic relations—between Bolivia and Chile unless it is based on the idea of concretely and effectively solving the sea claim—which is not just an aspiration, but a Bolivian right.

The steps we have taken—of which the most important was the presence of President Gonzalo Sanchez de Lozada in Santiago, Chile, to attend the Rio Group summit—have allowed Chile an updated, objective, and fresh image of Bolivia, an image that reaffirms our national identity and projects it confidently at the international level, without any complexes but with absolute conviction.

We will never find a solution any other way, even if a solution appears desirable from the viewpoint of Chilean Government and social leaders who realize the importance of Chilean links with the whole of Latin America as the way to affirm its presence in the world.

Reality and life teach us that not resolving the problem between Bolivia and Chile—beyond the Chilean official position denying there is a problem—is an obstruction to continental integration. As Chile is looking at the Latin American continent as a key element in its projection into the next century and millennium, we believe the time has come to face this situation. Problems must be addressed through rapprochement between our civilian and political societies.

We have affirmed the conviction that this issue, which can only be solved through peaceful negotiations, must be dealt with simultaneously and in accordance with the concrete conditions of each historic moment at the bilateral level with Chile, at the trilateral level with Chile and Peru, and also at the multilateral level because the Bolivian-Chilean problem must be presented as an element that makes full integration difficult for Latin American countries at a time when the u ity of large economic and political blocs is essential.

[PRESENCIA] What is the perception in Chile?

[Aranibar] Following the visit by President Sanchez de Lozada to Chile and the contacts we have, we believe a good part of the Chilean leadership is convinced of the need to face this problem.

Additionally, over the past few years there has been a gradual but definite change in the attitude of the majority of the Chilean people. We have heard of some polls on how the Chilean population perceived relations with Bolivia, and there is a growing feeling that the problem must be faced.

We should not harbor any false illusions that these changes among Chilean leaders and people will lead to concrete results. The real situation is that we must work to extend the links between Chilean and Bolivian societies. The solution to our landlocked situation will not be found through the generosity or the stroke of genius of the Bolivian and Chilean leadership class, but through a broad awareness of the Chilean, Bolivian, and Peruvian civilian and political society regarding the Bolivian problem.

We must become aware that every time we approach Chile—and there are many links at different levels of Bolivian and Chilean societies—we must portray a national identity that lost its quality because our sea coast was taken away from us.

In other words, all Bolivians in the work they do, in the presence they make, should know they carry a message of rapprochement toward the Chilean people, not a message of resentment or complaint but the affirmation of an identity and a right that need not be expressed

aggressively or with a complex. We must create conditions so that Chilean, Bolivian, and Peruvian societies will be forced to deal with this problem.

Despite this approach, we do not want to generate expectations that this government will solve the problem with Chile, and subsequent meetings between our presidents and ministers should not be regarded as a solution or the beginning of the solution.

This task must be carried out by all of us. The government must obviously channel and head this effort and must do so with the degree of responsibility the subject merits.

All Bolivian citizens should uphold our right to recover an outlet to the sea, but we have yet to decide on the solution because we have a political partisan mentality: Those of the opposition make demands (to use an old word), but when they are the government they adopt a practical attitude for domestic policy reasons.

We must overcome this attitude. There are some signs that just as we have reached a domestic consensus in democracy, we are also approaching a consensus regarding our foreign policy.

Therefore, there is no point asking the government what concrete plan it has in mind, at what point it will resume relations, or which formula it will use. No. We will reach that formula together. The decision to resume diplomatic relations with Chile will be discussed with other issues related to the Bolivian-Chilean relationship, thus ensuring progress toward a solution to our problems.

Does this mean we condition the resumption of relations with Chile to the discussion of the landlocked situation and that this subject must be tackled in these terms? We have not abandoned any Bolivian doctrine on this subject. We have stated that we have not proposed the subject nor are going to do so in the near future because we must first generate the conditions to raise all problems without any exception or conditions.

[PRESENCIA] In spite of your last comment and in view of the unrest in all sectors of our society, we must ask you what are the conditions to resume diplomatic relations with Chile?

[Aranibar] I have mentioned them all. We are not influenced by the chauvinism which belongs to the past and has been overcome (the idea that any contact with Chile was an act of treason against the fatherland) nor by the despair of those who want relations with Chile at any cost because they believe the absence of relations harms the country.

To solve the maritime problem we will obviously have to restore relations sometime because we will have to start negotiations sometime. We will look into this possibility based on the need to negotiate.

But anyway, President Sanchez de Lozada and Foreign Minister Aranibar will never use this subject for selfish or mean aspects of domestic policy.

Complementation Trade Accord Signed With Paraguay

PY1307165094 La Paz PRESENCIA in Spanish 28 Jun 94 p 7

[Excerpts] Foreign Minister Antonio Aranibar announced yesterday that Paraguay and Bolivia approved last weekend a program of economic complementation, to go into effect in the near future. The agreement has largely to do with Bolivian agro-industrial production.

Aranibar attended the meeting of foreign ministers of the Urupabol [Permanent Joint Commission of Uruguay, Paraguay, and Bolivia] subregional group, which is made up of Uruguay, Paraguay, and Bolivia. The trade negotiations with Paraguay were completed within this organization in Paraguay, which hosted the meeting.

The trade negotiations began a few months ago, and concluded with the approval of a list of products whose tariffs will be reduced by either 50 or 100 percent, said Minister Aranibar, who also explained that the agreement opens new possibilities for Bolivian international trade. [passage omitted]

The Urupabol meeting also helped the three countries to coordinate common actions in international meetings and to strengthen reciprocal cooperation.

The foreign ministers of the three countries agreed to give impulse to the Paraguay-Parana waterway. They also agreed that the headquarters of the River Plate Basin Development Fund (Fonplata) will continue to be in Sucre, Bolivia. [passage omitted]

Minister Aranibar added that the Paraguayan and Uruguayan foreign ministers confirmed their support for the idea that Bolivia enjoys a special link with Mercosur [Common Market of the South], which is also includes Argentina and Brazil. [passage omitted]

Chile

Institute Terms Frei Visit to U.S. 'Failure'

PY1307133294 Santiago LA TERCERA DE LA HORA in Spanish 30 Jun 94 p 5

[Text] Manuel Baquedano, president of the Institute of Political Ecology (IEP), characterized recent remarks by President Bill Clinton and other U.S. officials as an expression of the failure of Chilean aspirations to join directly the free trade zone between Canada, the United States, and Mexico (NAFTA).

The meeting between President Eduardo Frei and Bill Clinton was positive for the country, but the statements

by U.S. officials clearly indicate their preference for a bilateral treaty, Baquedano said.

The IEP president granted a news conference at IEP headquarters. Baquedano read an IEP declaration on the recent visit by Frei and his entourage to Washington and on Frei's meeting with President Bill Clinton.

"Regarding the central issue of the news conference, that is, NAFTA, Frei's visit represents the failure of Chilean aspirations to join NAFTA directly," the IEP said.

"The sign is very clear: A president (Clinton) who did not speak up for diplomatic reasons, and a secretary of state (Warren Christopher) and a congressional majority leader (Richard Gephardt) who clearly stated their preference for a bilateral treaty," the document says.

"In order not to produce a feeling of failure in Chilean entrepreneurial circles, officials are studying a U.S. proposal to present the bilateral treaty as a way of joining NAFTA later, and not as an alternative path," the document says.

Baquedano said that the IEP is happy with the failure, as the institute has always opposed Chile's direct entry into NAFTA—considering, as does the United Labor Confederation (CUT), that a bilateral agreement "is the lesser evil in safeguarding the country's labor and environmental rights."

The IEP proposed that the government change the orientation of its negotiations with the United States, and that the public be incorporated into the debate on the issue. "The government should be clear. The government should explain what was discussed in Washington during a public congressional hearing, and organize public meetings by regions and interest groups. Officials should eventually organize a plebiscite to see what society thinks about the treaty," Baquedano said. The IEP president concluded by saying: We should organize a permanent council where all those affected by an eventual trade treaty are represented.

Political 'Vacuum' Blamed on Lack of Dialogue

PY1307182394 Santiago EL MERCURIO in Spanish 30 Jun 94 p C3

[Text] The government and the opposition agree that political contact and even dialogue, whether formal or informal, have been just about cut off, and that in Chile at present there is a kind of vacuum and, in that sense, stagnation.

According to information provided to this daily, for this same reason a series of efforts will be initiated within the next few days to bring the national political climate to greater normalcy.

Even members of the opposition, admitting the current rupture, have urged government authorities to raise concrete subjects of national interest at the negotiations table.

In the opinion of political sectors, this lack of communication is supposedly creating a negative climate that has become especially obvious in Congress, and particularly in the Senate.

In the government's opinion the level of dialogue is very poor, and its first 100 days in power have been marked by strong opposition right from the beginning. In addition to all this there was the crisis caused by Carabineros Director General Rodolfo Stange. Government authorities believe the opposition united against the government in this case, thus failing to contribute to finding a political solution to the problem. "It has been a point of disagreement."

According to the same government source, the opposition is engaged in "enraging" the social sectors that are in conflict, though without assuming political responsibility before the country, "and in this sense we regard it as a very poor sign that the opposition has voted against legislating on the teachers statute bill, as it prevents a solution to the teachers' problems from being found. Inflexibility, and choosing conflict over a policy of accord, has prevailed during these past 100 days, although not in a way that is irreversible."

The government attributes this situation to a harsh struggle for hegemony within the opposition sector, resulting in a hardening of the opposition stance against the government in its search to establish a profile.

According to the government, what is happening in the Senate is a clear sign of the situation, and a reaction is necessary to restore the channels of informal talks. To this end an effort will be made to enhance the dialogue, and to hold meetings with the most important sectors and those that are most likely to come to an agreement politically.

The same government source believes that the National Renewal Party has reacted in an attempt to rectify the situation, and that the "clearly deteriorated" political climate might improve by the second half of the year.

The opposition says that this administration has not implemented the policy of agreement the way the previous administration did, and that the basic problem is that the government has not been able to make proposals, and there is currently no issue for discussion or negotiation.

This situation was discussed informally by the ministers of the political sector with the leaders of the opposition, and especially with those from National Renewal.

Senator Sebastian Pinera, chief of the National Renewal bloc, who negotiated some issues with the government, said that formal and informal relations are indeed at a low level. The few official contacts are in the Public Ethics Committee, where all the political groups are represented.

He added that on the specific and technical issues there are other relations. For example, how to improve the

legislation of the Pension Fund Administration Boards is being discussed with Labor Minister Jorge Arrate.

He recalled that National Renewal has openly expressed to the government its willingness to work together on four basic issues: the modernization of the health system; the modernization of the educational system; ways to overcome poverty; and the modernization of the state.

Pinera added: "For example, we proposed projects for the health system to officials, but nothing happened."

He noted that the basic problem in the lack of communication between the government and the opposition is the lack of proposals and initiatives. He reiterated that National Renewal has clearly, categorically, and systematically expressed its desire to keep the democracy of accord alive, healthy, and vigorous.

Pinera explained that, in order to be alive and real, a democracy of accord requires that the government put forward proposals, but this administration has, "however, during its first 100 days, really lacked the initiative and ability to make concrete proposals and create consensus and enthusiasm. The vacuum of ideas was therefore filled with conflicts, fistfights, and clumsiness."

Colombia

Police Director Denies Involvement With Cali Cartel

PA1307194994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 13 Jul 94

[Interview with Police Director General Octavio Vargas Silva by Yolima Celis at the director's office in Santa Fe de Bogota—live]

[Text] [Celis] We are in the office of the police director, General Octavio Vargas Silva, who in the past few hours has been questioned in connection with a cassette in which he appears to be indirectly involved with the Cali Cartel. General, what do you have to say about this cassette?

[Vargas Silva] I flatly reject any involvement with the Cali Cartel. There is no such thing. We have a single moral standard. There is no double moral standard or behavior here. We are not simultaneously siding with both God and the devil. I want to say clearly that my behavior has been upright, that I have a duty toward the country, the institution, the government, and my family. I want to say this. In my 38 years as a professional, this is the first time I have had an experience like this, especially now when I am fighting drug traffickers and all criminals in general.

They have said that if they cannot destroy me physically they will do so morally. I think this is what they are trying to do. I also want to tell you this. I swear by God, society, and my family that my behavior has been completely correct.

[Celis] Do you think this cassette recording harms you morally? Do you feel alone, General?

[Vargas Silva] No. I have enjoyed the solidarity of the many good people in this country. They all know me and my 38 years of service, which represent an entire life in an institution. I would not throw 38 years of service overboard for all the gold in the world. Of this you, the country, the police, and my family can rest assured. I must be very clear and speak plainly on this.

[Celis] General, the cassette speaks of a Colonel Espana. Do you know him or have you ever talked to him?

[Vargas Silva] There is a retired officer with this surname. But this is part of the investigations now under way.

[Celis] Did he ever make a proposal to you or try to talk with you?

[Vargas Silva] I have received no dishonest proposal. In addition, I would not accept such a proposal. The people and my subordinates know it.

[Celis] With due respect, General, and only so the people can be reassured, did you ever talk with journalist Alberto Giraldo?

[Vargas Silva] Never.

[Celis] General, do you think the cassette had anything to do with the suspension of your meeting with DEA in the United States?

[Vargas Silva] It is not necessary to link the two things. Both the Colombian Government and U.S. Government have clearly said these are two entirely different situations.

[Celis] What explanation did they give you?

[Vargas Silva] That the meeting had been given a political and diplomatic connotation and that more detailed study was necessary, as well as more time to consider the subjects to be discussed at this level. This is why it was decided to postpone the meeting.

[Celis] Do you think the recording is being manipulated, that there is something else involved?

[Vargas Silva] Of course.

[Celis] Have you any idea by whom?

[Vargas Silva] We are investigating.

[Celis] What do you think of all this?

[Vargas Silva] What we have before our eyes.

[Celis] Your personal opinion of this recording?

[Vargas Silva] All this has been orchestrated. A cassette like this does not just show up spontaneously. This is part of a plot. The damage inflicted on the country is immense.

[Celis] General, some circles have reported that you have been asked to step down. What do you have to say about this?

[Vargas Silva] This is the first time I hear such a thing. Such a decision must be made by the president of the Republic. Anyway, I have done my duty. I have the satisfaction that I have honestly done my duty toward the country. I was given assignments, and I fulfilled them. So it is my work that should be assessed. Thank you.

Further on Denial

PA1407014094 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Jul 94

[From the "24 Hours" Newscast]

[Text] With a broken voice, Police Director General Octavio Vargas Silva denied having been influenced by the drug cartels:

[Begin Vargas recording] I have a responsibility to the 2,900 killed by drug trafficking, the more than 4,000 injured, and the widows and orphans. I swear on my honor as a policemen, by God, and on my conscience that I have not broken my oath and that I will never do so. [end recording]

Gen. Vargas told Miriam Ortiz of the "24 Hours" newscast that he feels lonely in the struggle against drug trafficking:

[Ortiz] He is now experiencing something he never felt during the seven years he faced the world's two most dangerous capos. The snub by the DEA director in Washington and the false accusations about his work have turned the last 24 hours in the bitterest of his life.

[Begin recording] [Ortiz] Has the DEA reply pleased you?

[Vargas] Let's wait for a reply through diplomatic channels.

[Ortiz] Do you feel snubbed by U.S. security organizations?

[Vargas] This has to be analyzed with a very cool head.

[Ortiz] Some claim that the United States would make aid to Colombia subject to your resignation.

[Vargas] That is absolutely false. I met with the defense minister this afternoon, and he told me the exact opposite.

[Ortiz] Have you received support from the DEA after this mishap?

[Vargas] Yes, I received a message. [end recording]

Attorney General: 'Narcocassettes' Lack Credibility

PA1407025194 Paris AFP in Spanish 0010 GMT 14 Jul 94

[Text] Santa Fe de Bogota, 13 Jul (AFP)—The Attorney General's Office confirmed this Wednesday that the "narcocassettes," which created a scandal in Colombia by reporting alleged ties between the drug cartels and electoral campaigns and high-ranking police officers, have been manipulated and lack credibility.

Attorney General Gustavo Arrieta also said that after examining the four tapes sent anonymously to the press, there is no indication of irregular behavior on the part of Police Chief General Octavio Vargas, as was reported by a police source yesterday.

The "narcocassettes," which emerged shortly after the election of Ernesto Samper as new president of the Republic, stated that the Cali cartel had offered financial aid to his campaign and that of Andres Pastrana, defeated Conservative Party candidate. The two contenders and their Treasury Departments rejected the offers. In addition, alleged cartel chief Gilberto Rodriguez Orejuela on Wednesday addressed a letter to the Attorney General's Office denying this report.

The Attorney General's Office said the recordings are not accurate or clear enough to guarantee their veracity, adding that they were edited, which weakens their credibility.

The Attorney General's Office remarked that the conversations were manipulated and crucial portions left out. It added that the recordings lack communication pulses [pulsos de comunicacion], and the introduction of modifications and superimposition of voices can be clearly heard.

In addition, the Attorney General's Office asserted that most conversations begin abruptly with interruptions and sudden breaks, and most contain blank spaces in some cases and do not include the end of the conversation, thus "reinforcing the belief that the recordings have been manipulated."

Arrieta said there is no certainty about the identity of the speakers, some of whom are unknown. He added that the number of voices cannot be confirmed and raises questions about the authenticity of the tapes.

The recordings have been provided by a mysterious organization calling itself the Honorable Colombians, the purpose of which is to "struggle for a country without corruption." Secret service organizations have no clues as to the identity of the members of the aforesaid organization.

Rodriguez Orejuela Brothers: Cassettes Distort Facts

PA1407012494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Jul 94

[Report by Liliana Gutierrez from the "24 Hours" newscast]

[Text] In a letter addressed to the prosecutor general, brothers Miguel and Gilberto Rodriguez Orejuela [believed to be the heads of the Cali cartel] have stated that the cassettes were edited, cut, and distorted because they did not include the portion where [journalist Alberto] Giraldo told them that the campaigns of Ernesto Samper, Andres Pastrana, and Miguel Maza Marquez refused to accept the money. They added that Giraldo was acting on his own when he asked them for money. To conclude, they apologized to all the people mentioned in the cassettes.

[Paris AFP in Spanish at 1856 GMT on 13 July adds that Miguel and Gilberto Rodriguez Orejuela have denied that they financed the recently ended Colombian presidential campaign]

Minister Confirms Meeting To Discuss Cartel Surrender

PA1307220394 Mexico City NOTIMEX in Spanish 2020 GMT 13 Jul 94

[Text] Santa Fe de Bogota, 13 Jul (NOTIMEX)—Colombian Government Minister Fabio Villegas acknowledged today that he met with journalist Alberto Giraldo this past December to discuss the possible surrender of several Cali Cartel members.

In a fourth taped telephone conversation turned over to the media, Giraldo mentions to the person to whom he is speaking—Cali Cartel chief Gilberto Rodriguez—a meeting held with the government official which, according to him, would be decisive for the cartel.

The Presidential Palace issued a communique clarifying that the meeting was requested of the minister this past December by former Colombian Senator Oscar Velez. The former congressman participated in the meeting along with the journalist.

During the meeting, "Giraldo expressed the Cali Cartel's desire to surrender.

"The minister reiterated the government's position that the surrender of any cartel member would receive executive branch support only if accompanied by a prior confession of drug trafficking crimes," the official announcement states.

According to the report, Villegas stipulated to the journalist that "any individual who surrenders will be confined to a maximum security prison, not house arrest."

Villegas reminded Giraldo that "the Prosecutor General's Office is responsible for implementing all surrender policies."

After rejecting any connection to the mafia, the government minister said that it will be up to the authorities to prove the veracity of his statements.

During the past three weeks, four taped telephone conversations between the Cali Cartel chiefs and Giraldo have appeared in which there is mention of money being transferred to finance the campaign of President-elect Ernesto Samper. The Attorney General's Office has therefore begun an investigation into the issue.

U.S. Senators Said To Question Bid Process

PA1407031294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 14 Jul 94

[From the "24 Hours" Newscast]

[Text] The case of General Electric versus Mines Minister Guido Nule for alleged preferences in the sale of Termo Barranquilla is becoming more complicated. This is the other side of the coin: The "24 Hours" newscast obtained documents showing that members of the U.S. Senate are applying pressure. Marta Rojas filed this report.

[Begin recording] [Rojas] Although the bid closed in October 1993 and was won by the (ABB Distral Consortium), leaving General Electric in second place, the "24 Hours" Newscast obtained copies of letters exchanged between members of the U.S. Congress and the U.S. Government regarding this bid.

The Colombian ambassador received letters dated 7 and 14 April from Senators (?Gilman) and Hollings stating that the U.S. Congress is considering future candidates for the free trade agreement, thus Congress hopes that President Gaviria and his cabinet will guarantee U.S. companies that honesty will prevail in such processes. The audit of the bid was conducted by the U.S. firm (Arthur Little), whose work was also approved by the U.S. Treasury Department.

On 13 July the Colombian Government confirmed that it will guarantee the honesty of the process questioned by the Attorney General's Office.

[Unidentified Reporter] Was there discrimination in any form?

[Nule] Absolutely none, and this was confirmed in a report issued by external auditors who were hired not by Corelca [Electric Corporation of the Atlantic Coast] but by the National Planning Office. [end recording]

Commentator Asks 'Which Samper' To Govern

94CA0129 Santa Fe de Bogota EL TIEMPO in Spanish 21 Jun 94 p 5A

[Commentary by Francisco Santos: "And Who Is He?"]

[Text] President-elect Ernesto Samper Pizano faces a difficult challenge. He has a legitimate but precarious mandate. The large number of votes garnered by his opponent sends him a clear message, and one that he should at least think about while he is governing.

Those who believed in the alternative proposed by Andres Pastrana, which today is stronger than ever, have serious reservations about what Samper's term will be like. And now that he is president, they want to know which Samper will be making decisions.

Is the Samper who will govern the one who has been ambiguous all his life, or the rock-solid one we saw glimmers of during the campaign?

Will the one in office be the one who ousted from his campaign the politicians who had met with Evaristo Porras, or the one who stayed with Santa Lopesierra?

The one who, for the sake of convenience, distanced himself from the political barons, or the one who has consorted with them all of his life?

The one who spoke clearly of a policy of breaking up economic concentrations, or the one who owes favors to an economic group that got its hands on a candidate in a way never before seen in a presidential election, and therefore will keep its interests in communications, gas, and television?

The one who will make difficult decisions that carry a high political cost, or the one who, like a weathervane, changes direction when the winds of popularity blow the other way?

The one who ran an aggressive campaign, putting two and two together like Misael's bonus, just to cite one example, or the conciliator of the victory speech?

The well-versed statesman, or the smooth operator from Bogota?

The one who listens to Botero, Pardo, and Rincon, or the one who is all ears for Serpa, Cristo, or Holmes?

The one who deals out ministries like political bargaining chips in return for favors, or the one who appoints the most proficient and capable experts to such neglected but vital ministries as Education, Health, Transportation, and Mines?

The one who believes that problems are solved by creating more bureaucracies, or the one who is capable of running the state by reforming it from the inside out and making it more efficient?

The one with the sense of humor, ingenuity, and snappy comebacks, or the plastic, dry, fake candidate we have been seeing for months?

The one who told the industrialists of the Valle, at a private dinner, that he would keep out speculative foreign capital (read: investment funds), or the one who welcomes foreign capital with open arms?

Candidates change once they become president. They tend to grow, since now they are in charge, which gives what a TV cartoon character calls "supreme power." That is why we must wait a while for the solution to the innumerable problems that are on the agenda for the Samper administration.

What we should do right away is start digging into the proposals he made to determine whether the 1.5 million jobs he will create include the jobs that economic growth normally produces or will they be new jobs.

We should seek to find out whether he really plans to help Bogota out with its metro, the great avenues, and the social investments in a city that has been abandoned by the national government. In the final analysis, the capital gave the Liberal candidate his victory, and in return, all of us who live here expect him to give at least what he promised during the forum organized by this newspaper.

Depending on which president takes office at Narino Palace, Andres's 3.5 million votes could become the trampoline he needs to succeed him in 1998. But that, for now, is very far off. The immediate task is to oversee the government's actions and pray that the president-elect's "supreme power" is more that of the campaign than that which we have seen all his life.

Roundup of Economic Developments

PA1407043294

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 12 July.

Texaco has announced that it will sell the Teca, Nare, Cocorna, and Velasquez heavy oil fields, which produce 17,000 barrels of oil per day. The sale of these oil fields is part of a number of economic measures announced by Texaco in New York City. Company officials stressed, however, that there will be no layoffs in Colombia. (Santa Fe de Bogota EL TIEMPO in Spanish 6 Jul 94 pp 1B, 8B)

Foreign Trade Minister Juan Manuel Santos has reported that the government turned over five free trade zones to the private sector. The free zones will create more than 200,000 jobs within the next decade and are located in Cali, Cartagena, Barranquilla, Cucuta, and Santa Marta. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 8 Jul 94)

Ecuador

Civil Aviation Organizations Being Restructured

94SM0380D Quito EL COMERCIO in Spanish 30 May 94 p A-7

[Text] The program for the legal and administrative restructuring of Ecuadorian civil aviation organizations has begun to go into effect, within the context of the process of state modernization begun by the national government.

There will be three changes in the composition of the National Council on Civil Aviation—the country's main civil aviation organization.

The minister of public works will be replaced by the minister of tourism, and the directors of operations and material of the Ecuadoran Air Force (FAE) will be replaced by a representative of the national airline and a representative of the National Federation of Chambers of Commerce, respectively.

Remaining as members are the minister of national defense, who presides over the organization, the commanding general of the FAE, and the ministers of foreign affairs finance.

The position of director general of Civil Aviation is to be filled by an FAE general officer on active service. The incumbent will be designated by the minister of national defense for a period of two years.

Director of Civil Aviation Hernan Quiroz justified the reforms, pointing out that legislation regulating civil aviation, passed in 1974, called for urgent reforms.

In the administrative area, the position of deputy director general of civil aviation has been eliminated. In its place, two regional deputy directors have been authorized, one based in Quito and the other in Guayaquil.

A recent personnel audit determined that there was an excess of 587 administrative employees and a shortage of 180 aviation technicians. The DAC [Civil Aviation Office] lacks budgeted funds to pay the compensations of those employees who will be separated. There are 1,400 employees country-wide.

Most of the services that airports provide to the public, such as souvenir shops, duty-free stores, janitorial services, auto rental, security, parking, etc., are contracted out as concessions to individuals or companies.

Until July 1993, airport services were provided under an agreement between the DAC and Ecuadoran Airlines. By the end of 1994 it is anticipated that a jointly owned company based on an agreement between the DAC and the German company Lufthansa will be formed.

In the modernization program for air navigation and communications systems and equipment, the ATIS [Airborne Test Instrumentation System] facilitates the job of the air traffic controller, who will be further supported by modern satellite-assisted communications and computer-controlled radar to track aircraft in flight.

EMETEL President Views Privatization Process

94SM0380C Quito EL COMERCIO in Spanish 1 Jun 94 p D-5

[Text] Guayaquil—The privatization of the country's telephone system will finally begin at the end of 1995, according to an announcement by the president of the State Telecommunications Enterprise (EMETEL), Sergio Flores.

Modernization of the telecommunications system will begin to take shape during the next few months, with contracting for consultation studies and support from the World Bank.

The evaluation of assets and the bases for concessions will be determined during the next 10 months. The sales or concessions will take place immediately thereafter, over a period of five months. According to Flores, the entire process will take 18 months.

Extended competition will begin inside the private sector, for the purpose of which the country will be divided into two zones: north and south.

Consultants will determine the provinces to be included in each of the zones, which will be granted in concessions for the operation of the telephone system.

International companies with experience in managing telecommunications operations on a world scale will be able to participate in competing for concessions in both regions, and will be able to earn suitable profits, Flores said.

Modernization, and privatization as part of modernization, are a necessity required by the Ecuadoran community because of the inefficiency with which telecommunications have been administered.

EMETEL's position within the state prevents it from making rapid decisions in a sector in which advanced technology is crucial. There can be no progress under the traditional system.

Flores explained that the company has no surplus, as had been announced, because investment in the system had been insufficient.

Investment is important to overcome the deficiencies in telephone service that were characteristic of the past. It is not possible to continue on in Ecuador with 5.3 telephone lines per 100 inhabitants, while there are 60 to 70 lines for the same number of inhabitants in developed countries in Latin America and the rest of the world.

Workers will run no risk of layoffs or dismissals, assured Flores. There is an excess of administrative bureaucracy but a lack of technical personnel. The problem is poor distribution of human resources.

Just to fulfill an unsatisfied demand for 2 million telephone lines, between 2,500 and 3,000 new employees will be needed. These will be basically skilled workers.

Telephone service concessionaires will hire additional employees once privatization is in effect, said Flores.

Kurt Freund, the representative of the National Council on Modernization (Conam) on the Board of EMETEL, said that at the advice of Conam, EMETEL placed a tender for outside consultants.

Experts in the privatization of telephone companies throughout the world will compete in this tender.

Companies wishing to participate in the tender were to present themselves in Conam's offices on 31 May.

The company has maintained very low prices for domestic telephone service, but the cost of international service is among the highest. This has resulted in the creation of parallel services competing with EMETEL, such as 119 and 170, which have succeeded in reducing long distance cost, according to Freund.

Roundup of Economic Developments

PA1407023094

[Editorial Report] The following is a compilation of reports on economic developments monitored through 12 July.

The Ecuadoran banking sector is experiencing difficulties because of the restrictive monetary policy. "The lack of liquidity has pushed true interest rates close to 30 percent," banking sector sources have stated. The sources added that "the financial system is immersed in a speculative process, and the lack of currency has prompted rates to soar to 50 percent, far surpassing the 20 percent inflation estimated by the government for this year." (Quito Voz de los Andes in Spanish 2300 GMT 5 Jul 94)

A Finance Ministry official has reported that the Ecuadoran Government will receive "approximately $580 million in the next few months." The Inter-American Development Bank and the World Bank will grant $480 million in loans, and the remaining $100 will be obtained through the issuance of bonds in dollars that are to be placed on the local capital market. (Quito Voz de los Andes in Spanish 2300 GMT 5 Jul 94)

The country reportedly has oil reserves only up to the year 2003. Francisco Acosta, energy and mines minister, insists that the Trans-Ecuadoran oil pipeline must be enlarged because "the Colombian pipeline has been attacked more than 500 times this year" and Ecuador cannot continue to depend on it to move its oil. (Quito Voz de los Andes in Spanish 2300 GMT 5 Jul 94)

Francisco Acosta, energy and mines minister, has asserted that the bid for bloc 11 in the Amazons "was clear and aboveboard," therefore he is surprised that a conflict has arisen between the Santa Fe and Tripetrol oil companies. Tripetrol representatives have asserted that the government will lose between $250 million to $1.7 billion by giving bloc 11 in the Amazons to the Santa Fe Oil Company. (Quito Voz de los Andes in Spanish 2300 GMT 7 Jul 94)

The Central Bank has reported that Ecuador's foreign debt—including overdue bills, principal, and interest—dropped by $1.2 million in April and now totals $13.046 billion. (Quito Voz de los Andes in Spanish 2300 GMT 11 Jul 94)

Peru

Oversight of 'Superpower' Intelligence Service Urged

94SM0392A Lima LA REPUBLICA in Spanish 16 Jun 94 p 12

[Commentary by Carlos Tapia in the "Farewell to Arms" column: "The SIN and Dual Loyalties"]

[Text] In the latest issue of the journal SI, Francisco Loayza, a former member of the SIN [National Intelligence Service] and a strong backer of Mr. Fujimori's candidacy in the 1990 elections, expresses concern about the immense power wielded by the SIN and by those who actually run it.

He says that all the state's power seems to have been concentrated in the present SIN—which is much larger than it was until 1989—and he points out that it is now very difficult to find a way of effectively controlling this "superpower."

This situation merits serious reflection, as a unique feature of intelligence work is that those engaged in it, in most cases, do so without their professional colleagues or friends being aware of it. Their activities are based on concealing their mission.

So a SUNAT [National Tax Administration Superintendency] bureaucrat, a member of the Supreme Court, a television producer of a political program, a bankrupt businessman, an ambitious bishop, a council member of a winning metropolitan slate, a former leftist youth leader, or a member of congress with prestige but with personal problems; a doctor, a health department official, or a police officer; an Army lieutenant, a Navy lieutenant commander, or an Air Force general, may be members of or "collaborators" with the SIN. In that situation, they must simultaneously meet their professional obligations and maintain their institutional loyalties, and at the same time, carry out the missions and tasks that "the system" entrusts to them.

Here we should make the following clear: the SINA [National Intelligence System] consists of the SIN, the central organization, and its support elements, the various intelligence organizations of the FFAA [Armed

Forces], the Ministry of the Interior, the PNP [Peruvian National Police], and DINCOTE [Counterterrorism Directorate].

The members of the SIN, recruited from civil society, the police, or the Armed Forces, quite often—due to the covert nature of their activities—carry out illegal missions. These are almost always justified as necessary and even essential to protect Peru's national interests.

Let us not be misinterpreted; there is no doubt that many of the members of this intelligence community perform heroic work, like infiltrating subversive groups or uncovering the operations of drug trafficking groups. But at other times they may be ordered to carry out missions that are not very sound, such as harassing and blackmailing opposition politicians, stealing or damaging the second-hand VW recently acquired by a critical columnist, or what happened with the Cantuta "disappeared," a case that compromised the prestige of the Armed Forces to which those responsible belonged.

Would it not be wise to establish some democratic mechanism that—even though confidential—could provide a certain amount of control over this "superpower," which gives no account to anyone of its actions or of the resources it controls?

Ω Economic Reform Seen Stalling in Election Year

94P20967A

[Editorial Report] The Apoyo-owned weekly SEMANA ECONOMICA (SE) of 19 June published an opinion poll taken 10-13 June showing President Alberto Fujimori's approval rating holding steady at 64 percent, with 26 percent disapproving, and 10 percent undecided or not responding. SE predicted that Fujimori will try to ensure his continued popularity by slowing down his economic reform in the months leading up to the 9 April 1995 presidential and parliamentary elections.

Economic Reform Stalling

The weekly said that "various government offices" had received the message that the "reform period would end in October." As further evidence that this strategy has been adopted by the government, SEMANA ECONOMICA mentioned the following:

In spite of the Finance Ministry's "insistent pleadings" to the congressional Finance Committee to recognize Peru's debt to Chemical Bank, the committee "will not" make a decision "unless it gets a clear signal from the Presidential Palace," according to SE's "parliamentary sources." Until the debt is recognized, the Finance Ministry will not be able to enter into new negotiations with the bank, but such recognition, the sources said, "would have a negative political effect for the government."

Despite the economic advantages of having religious legal holidays moved to the nearest Monday, the Constituent Congress recently passed Fujimori's proposal to abolish this practice. Said a parliamentarian to SE: "In an election year you cannot have every parish priest in the country against you." The Catholic Church had lobbied for two years to have the Monday holiday law revoked, according to SE. The weekly pointed out that Fujimori's proposal got "enthusiastic" support even from the opposition, as many of them are planning to run for reelection.

The congressional Labor Committee's work on changing or abolishing legislation based on the principle of "labor stability" in favor of a more free-market oriented law will probably not go anywhere soon according to SE, which quoted an "important parliamentarian of the majority" as saying that September would be the last chance to pass new labor legislation, or it would come too close to the elections "for such a polemical issue."

The land reform law needed to meet some of the Inter-American Development Bank's (IDB) criteria for loans is not likely to see the light of day this year, SE said. According to a "government official" any tinkering with the existing land tenure practice might "evoke memories" of the time of large landownerships. SE said that there would be no "needed agricultural reforms in the coming year."

The law on water, another of the IDB's loan prerequisites, has also been shelved for fear of the "negative political impact" from any "radical" change.

The previously announced transfer of health services to the private sector has been put on ice because the Peruvian Institute for Social Security would then be left with reduced resources, according to SE.

Poll Shows "Optimism"

A poll taken by Apoyo 10-13 June with 524 respondents in the metropolitan Lima area showed "economic optimism" among the population: 42 percent expected their personal circumstances to improve in one year, 24 percent expected them to remain the same, and 12 percent expected their circumstances to worsen. Of the interviewees, 62 percent regarded their circumstances as "average," 31 percent as "poor," and 6 percent said their circumstances were "good."

As for presidential candidate preferences, the poll showed President Fujimori leading former UN Secretary-General Javier Perez de Cuellar with 49 percent to 37 percent in a second round of voting. If Fujimori's opponent were Lima Mayor Ricardo Belmont in a second round, the lead would be even greater: 55 percent to Belmont's 27 percent.

Based on respondents' preferences "if the election were today," Fujimori would get 45 percent of the vote, bringing him close to the majority needed to preempt a run-off. Perez de Cuellar would get only 25 percent,

Belmont 11 percent, and former President Fernando Belaunde 4 percent. Those who did not respond or were undecided accounted for 11 percent of the sample population on this question.

On the question of approval/disapproval for the counterterrorism policy, economic policy, the government, the Congress, the judicial branch, and the opposition parties, the ratings remained about the same as in the May Apoyo poll: a majority approve of the policies, the government, and the Congress, while only a minority approve of the judiciary and the opposition.

Uruguay

Business Council Submits Memo on Mercosur

PY1307230194 Montevideo EL PAIS in Spanish 7 Jul 94 p 11

[Text] The Uruguayan Business Senior Council demanded on 6 July compliance with the Treaty of Asuncion establishing the Mercosur [Common Market of the South] in all its terms, since "straying from the principles would cause serious damage to those of us who have traditionally abided by them." It criticized the political system for not having retrofitted the country's industries in time to be adequately prepared to face the coming into force of the common market.

These points are included in a memorandum that the members of the aforementioned council submitted to the president of the Republic at Government House on 6 July. With regard to the issue discussed above, the document states that "the private sector continues to make efforts to retool its industries and adapt itself to present circumstances, while the public sector has not made all the necessary structural adjustments to lower costs and facilitate the aforementioned retooling."

Association of Uruguayan Banks president Mario San Cristobal; the president of the Rural Association of Uruguay, Gerardo Garcia Pintos; the chairman of the Chamber of Industries of Uruguay, Jacinto Muxi; the chairman of the Commercial Chamber of Domestic Products, Simon Berkowitz; Chamber of Commerce chairman Alfonso Varela; the chairman of the Chamber of Construction of Uruguay, Ignacio Otaegui; and Rural Federation President Leandro Gomez were present at the meeting with the head of state.

When leaving Government House, the chairman of the Chamber of Commerce reported that the meeting with President Luis Alberto Lacalle had been "most productive" and that the aforementioned memorandum was handed to the president on that occasion.

Varela further stated that "we held an amiable dialogue," adding that relations with our neighbors and Mercosur partners, implementation mechanisms, and the need for abiding by the Treaty of Asuncion were the main subjects broached at the meeting.

Varela pointed out that "it is not only incumbent upon the government, but also upon the entire society, to abide by the treaty." He made it clear that "nobody has opposed it."

The chairman of the Chamber of Commerce pointed out that "the negotiations being conducted at present follow the ordinary procedure, which I think is the appropriate one." With regard to the exceptions that Uruguay will have to request, Varela said: "The country will define its position at the appropriate time."

He then stated that Uruguay has already made the decision to be part of this common market, adding that some sectors will be more adversely affected than others, but it is expected that benefits will far offset difficulties.

The following is the text of the memorandum:

The Business Senior Council organizations that hereinafter sign this memorandum reiterate their firm conviction that the integration process must move ahead to achieve the objectives of the Treaty of Asuncion.

To date, the trade liberalization program established in the schedule for tariff reduction and the elimination of products from the exception lists has been developed within the established deadlines and conditions. Nevertheless, not enough strides have been made in the coordination of macroeconomic and sectoral policies, which have an enormous bearing on competitiveness.

The setting into motion of the customs union presupposes not only the establishment of a common external tariff vis-a-vis third countries, but also the definition and simultaneous implementation of measures that guarantee the appropriate functioning of the customs union.

It is also imperative that a Mercosur institutional structure be established through the setting up of bodies that guarantee its operation.

It is considered that the Treaty of Asuncion's functions must achieve the objective of a greater rapprochement between the economies of the region and the world by increasing the international trade of each of the member countries with a view to promoting its creation and to preventing trade distortions.

Our country must not relinquish existing trade policy mechanisms, especially the bilateral agreements, during the transition period of the common market.

Once again it is reaffirmed that the achieving of the higher interests that are explained in the Treaty of Asuncion is subject to the effective acceptance of the agreed terms. Any sidestepping from this principle will imply serious harm for those of us who have traditionally abided by our pledges.

The private sector continues with its efforts to reconvert and adapt to reality, while at the public sector level, all

the necessary structural changes that will lead to lower costs and help said reconversion have not yet been achieved.

In conclusion, they express their willingness to continue cooperating to achieve the objectives already announced by increasing their participation and dialogue.

Suriname

Government Offers To Temporarily Accept 2,000 Haitians

PA1307232494 Madrid EFE in Spanish 2244 GMT 13 Jul 94

[Text] The Hague, 13 Jul (EFE)—The Surinamese Government today offered to temporarily accept 2,000 Haitian refugees in its territory, the Netherlands news agency ANP reported from Paramaribo.

According to a communique issued by the Surinamese Foreign Ministry, "the desperate situation of the Haitian people under the military regime justifies the acceptance of refugees."

The government of the former Netherlands colony also promised to provide military personnel "for the international peacekeeping force established under UN and OAS auspices to reestablish democracy and the de jure state in Haiti."

Several U.S. military officers will arrive in Paramaribo on Thursday to supervise the area where a Haitian refugee camp could be set up in one week.

The government of the South American country emphasized that all expenses for the temporary stay of the Haitians will be covered by the United States.

According to official sources in Paramaribo, financial compensation might be made through Washington's financial contributions to various programs to help Suriname's development.

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